

PROSPECTUS

SC Germany Vehicles 2015-1 UG (*haftungsbeschränkt*) (*incorporated with limited liability in the Federal Republic of Germany*)

€633,500,000 Class A 0.978% Notes due 11 November 2030 Issue Price: 100%

€66,500,000 Class B 2.167% Notes due 11 November 2030 Issue Price: 100%

The Class A Notes and the Class B Notes (each such class, a "**Class**", and all Classes collectively, the "**Notes**") of SC Germany Vehicles 2015-1 UG (*haftungsbeschränkt*) (the "**Issuer**") are backed by a portfolio of loan claims (the "**Purchased Receivables**") secured by security interests in certain passenger cars, motorbikes and campers/caravans located in Germany (the "**Financed Vehicles**") and certain other collateral (the Financed Vehicles, the other collateral and the proceeds therefrom, the "**Related Collateral**", and together with the Purchased Receivables, the "**Portfolio**"). The obligations of the Issuer under the Notes will be secured by first-ranking security interests granted to SFM Trustees Limited (the "**Transaction Security Trustee**") acting in a fiduciary capacity for the holders of the Notes pursuant to a transaction security agreement dated on or about 21 April 2015 (the "**Transaction Security Agreement**"). Although the Notes will share in the same security, the Class A Notes will rank in priority to the Class B Notes in the event of the security being enforced, see "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT". The Issuer will on or before the Note Issuance Date purchase and acquire from Santander Consumer Bank AG, Mönchengladbach (the "**Seller**") Receivables and Related Collateral constituting the Portfolio on the Note Issuance Date. The Issuer will, subject to certain requirements, on each Payment Date during a period of thirty-six (36) months following the Note Issuance Date, purchase and acquire from the Seller further Receivables and Related Collateral offered by the Seller from time to time. Certain characteristics of the Purchased Receivables and the Related Collateral are described under "DESCRIPTION OF THE PORTFOLIO" herein.

The Notes will be issued at the issue price indicated above on or about 23 April 2015 (the "**Note Issuance Date**").

This Prospectus constitutes a prospectus for the purpose of Article 5.3 of Directive 2003/71/EC (as amended) (the "Prospectus Directive"). Application has been made to the Commission de Surveillance du Secteur Financier for approval of this Prospectus for the purposes of the Prospectus Directive and relevant implementing measures in Luxembourg as a prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg for the purpose of giving information with respect to the issue of the Notes. By approving this prospectus the Commission de Surveillance du Secteur Financier assumes no responsibility as to the economic or financial soundness of this transaction or the quality and solvency of the Issuer. Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange is a regulated market for the purposes of the Markets in Financial Services Directive 2004/39/EC.

Raiffeisen Bank International AG ("**RBI AG**" or the "**Manager**") will purchase the Notes from the Issuer and will offer the Class A Notes, from time to time, in negotiated transactions or otherwise, at varying prices to be determined at the time of the sale. The Class B Notes will be purchased by the Seller. The Issuer will draw an advance under the Funding Loan (as defined herein) to pay, *inter alia*, any selling concessions, transaction structuring fees and underwriting and placement commissions and expenses of the Manager.

For a discussion of certain significant factors affecting investments in the Notes, see "RISK FACTORS". An investment in the Notes is suitable only for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment.

Arranger and Manager

Raiffeisen Bank International AG

The date of this Prospectus is 20 April 2015.

For reference to the definitions of capitalised words and phrases appearing herein, see "INDEX OF DEFINED TERMS"

The Notes will be governed by the laws of the Federal Republic of Germany ("**Germany**").

Each of the Class A Notes and the Class B Notes will be initially represented by a temporary global note in bearer form (each, a "**Temporary Global Note**") without interest coupons attached. Each Temporary Global Note will be exchangeable, as described herein (see "OUTLINE OF THE TRANSACTION — The Notes — Form and Denomination") for a permanent global note in bearer form which is recorded in the records of Euroclear and Clearstream Luxembourg (as defined below) (each, a "**Permanent Global Note**", and together with the Temporary Global Notes, the "**Global Notes**" and each, a "**Global Note**") without interest coupons attached. Each Temporary Global Note will be exchangeable not earlier than 40 calendar days and not later than 180 calendar days after the Note Issuance Date, upon certification of non- U.S. beneficial ownership, for interests in a Permanent Global Note. The Global Notes representing the Class A Notes will be deposited with a common safekeeper (the "**Class A Notes Common Safekeeper**") appointed by the operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream Luxembourg**" and, together with Euroclear, the "**Clearing Systems**") on or prior to the Note Issuance Date. The Class A Notes Common Safekeeper will hold the Global Notes representing the Class A Notes in custody for Euroclear and Clearstream Luxembourg. The Global Notes representing the Class B Notes will be deposited with a common safekeeper (the "**Class B Notes Common Safekeeper**" and together with the Class A Notes Common Safekeeper, the "Common Safekeepers" and each, a "**Common Safekeeper**") appointed by the operator of the Clearing Systems on or prior to the Note Issuance Date. The Class B Notes Common Safekeeper will hold the Global Notes representing the Class B Notes in custody for Euroclear and Clearstream Luxembourg. The Notes represented by Global Notes may be transferred in book-entry form only. The Notes will be issued in denominations of EUR 100,000. The Global Notes will not be exchangeable for definitive securities. See "TERMS AND CONDITIONS OF THE NOTES — Form and Denomination".

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of the Clearing Systems as Class A Common Safekeeper and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

THE NOTES REPRESENT OBLIGATIONS OF THE ISSUER ONLY AND DO NOT REPRESENT AN INTEREST IN OR OBLIGATION OF THE MANAGER, THE ARRANGER, THE SELLER, THE SERVICER (IF DIFFERENT), THE TRANSACTION SECURITY TRUSTEE, THE DATA TRUSTEE, THE PRINCIPAL PAYING AGENT, THE CALCULATION AGENT, THE CASH ADMINISTRATOR, THE ACCOUNT BANK, THE LUXEMBOURG LISTING AGENT, THE LUXEMBOURG INTERMEDIARY, ANY COMMON SAFEKEEPER, THE SUBORDINATED LOAN PROVIDER, THE FUNDING LOAN PROVIDER OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS (OTHER THAN THE ISSUER). NEITHER THE NOTES NOR THE UNDERLYING RECEIVABLES WILL BE INSURED OR GUARANTEED BY ANY GOVERNMENTAL AGENCY OR INSTRUMENTALITY OR BY THE MANAGER, THE ARRANGER, THE SELLER, THE SERVICER (IF DIFFERENT), THE TRANSACTION SECURITY TRUSTEE, THE PRINCIPAL PAYING AGENT, THE CALCULATION AGENT, THE CASH ADMINISTRATOR, THE ACCOUNT BANK, THE LUXEMBOURG LISTING AGENT, THE LUXEMBOURG INTERMEDIARY, ANY COMMON SAFEKEEPER, THE SUBORDINATED LOAN PROVIDER, THE FUNDING LOAN PROVIDER OR ANY OF THE RESPECTIVE AFFILIATES OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS (OTHER THAN THE ISSUER) OR BY ANY OTHER PERSON OR ENTITY EXCEPT AS DESCRIBED HEREIN.

Class	Class Principal Amount	Interest Rate	Issue Price	Expected Ratings (S&P / Fitch)	Legal Maturity Date	ISIN
A	EUR633,500,000	0.978%	100%	A(sf) / A(sf)	Payment Date falling in November 2030	XS1217133815
B	EUR66,500,000	2.167%	100%	N/R	Payment Date	XS1217140356]

					falling in November 2030	
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Interest on the Class A Notes will accrue on the outstanding principal amount of each Class A Note at a per annum rate equal to 0.978%. Interest on the Class B Notes will accrue on the outstanding principal amount of each Class B Note at a per annum rate equal to 2.167%. Interest will be payable in euro by reference to successive interest accrual periods (each, an "**Interest Period**") monthly in arrear on the eleven (11th) day of each calendar month, unless such date is not a Business Day, in which case the Payment Date shall be the next succeeding Business Day, unless such date would thereby fall into the next calendar month, in which case the payment will be made on the immediately preceding Business Day (each, a "**Payment Date**"). The first Payment Date will be the Payment Date falling in 11 May 2015. "**Business Day**" shall mean a day on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET2**") are operational and on which commercial banks and foreign exchange markets are open or required to be open for business in Luxembourg, London, England, Frankfurt am Main, Germany and Düsseldorf, Germany. See "TERMS AND CONDITIONS OF THE NOTES — Payments of Interest".

If any withholding or deduction for or on account of taxes should at any time apply to the Notes, payments of interest on, and principal in respect of, the Notes will be made subject to such withholding or deduction. The Notes will not provide for any gross-up or other payments in the event that payments on the Notes become subject to any such withholding or deduction on account of taxes. See "TAXATION".

Unless an Early Amortisation Event (as defined below, see "TERMS AND CONDITIONS OF THE NOTES – Certain Definitions") occurs, amortisation of the Notes will commence on the first Payment Date falling after the expiration of the Replenishment Period (as defined below, see "TERMS AND CONDITIONS OF THE NOTES – Certain Definitions") which period starts on the Note Issuance Date and, subject to certain restrictions, ends on (and includes) the Payment Date falling in the thirty-sixth (36th) month after the Note Issuance Date. During the Replenishment Period, the Seller may, at its option, replenish the Portfolio underlying the Notes by offering to sell to the Issuer, on any Payment Date from time to time, additional Receivables. See "TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption" and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Receivables Purchase Agreement".

The Notes will mature on the Payment Date falling in November 2030 (the "**Legal Maturity Date**"), unless previously redeemed in full. The Notes are expected to be redeemed on the Payment Date falling in November 2027 (the "**Scheduled Maturity Date**"), unless previously redeemed in full. In addition, the Notes will be subject to partial redemption, early redemption and/or optional redemption before the Legal Maturity Date in specific circumstances and subject to certain conditions. See "TERMS AND CONDITIONS OF THE NOTES — Redemption".

The Class A Notes are expected, on issue, to be rated by Fitch Ratings ("Fitch") and Standard & Poor's Credit Market Services Europe Limited ("**S&P**" and together with Fitch, the "**Rating Agencies**"). It is a condition of the issue of the Class A Notes that they are assigned the ratings indicated in the above table. The Issuer has not requested a rating of the Class B Notes.

Each rating of the Class A Notes by the Rating Agencies addresses the likelihood that the holders of the Class A Notes (together with the holders of the Class B Notes, the "**Noteholders**" and each, a "**Noteholder**") will receive all payments to which they are entitled, as described herein. Each rating takes into consideration the characteristics of the Purchased Receivables and the structural, legal, tax and Issuer-related aspects associated with the Class A Notes.

However, the ratings assigned to the Class A Notes do not represent any assessment of the likelihood or level of principal prepayments. The ratings do not address the possibility that the holders of the Class A Notes might suffer a lower than expected yield due to prepayments or amortisation or may fail to recoup their initial investments.

The ratings assigned to the Class A Notes should be evaluated independently against similar ratings of other types of securities. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the Rating Agencies at any time.

The Issuer has not requested a rating of the Class A Notes by any rating agency other than the Rating Agencies and has not requested any rating of the Class B Notes; there can be no assurance, however, as to whether any rating agency other than the Rating Agencies will rate the Class A Notes or whether any rating agency will rate the Class B Notes or, if it does, what rating would be assigned by such rating agency. The rating assigned to the Class A Notes by such other rating agency could be lower than the respective ratings assigned by the Rating Agencies.

Under Article 405 of Regulation 2013/575/EU (the "**CRR I**"), a credit institution, other than when acting as an originator, a sponsor or original lender, may hold the credit risk of a securitisation position in its trading book or non-trading book only if the originator, sponsor or original lender has explicitly disclosed to the credit institution that it will retain, on an ongoing basis, a material net economic interest which, in any event, will not be less than 5 per cent. of *inter alia* the aggregate nominal amount of securitised exposures. Pursuant to Article 405 paragraph (1)(d) of the CRR I, a net economic interest may be retained, *inter alia*, by way of retention of a first loss tranche and, if required, of other tranches having the same or a more severe risk profile than the tranches sold or transferred to investors and not maturing any earlier than the tranches sold or transferred to the investors, so that the retention equals in total no less than 5 per cent. of the aggregate nominal amount of the securitised exposures. With a view to support compliance with the requirements of Article 405 paragraph (1)(d) of the CRR I, the Seller will do each of the following: First, the Seller will retain, in its capacity as originator within the meaning of Article 405 of the CRR I, on an ongoing basis until the earlier of (i) the redemption of the Notes in full and (ii) the Legal Maturity Date, a first loss tranche constituted by the claim for repayment of a loan advance of EUR 7,000,000 made available by the Seller in its capacity as Subordinated Loan Provider to the Issuer under the Subordinated Loan Agreement as of the Note Issuance Date. The nominal amount of such loan advance equals 1 per cent. of the Aggregate Outstanding Note Principal Amount as of the Note Issuance Date. Subject to certain additional restrictions, the loan advance will only become repayable to the Seller on any relevant date if and to the extent its outstanding amount exceeds an amount equal to the Required Reserve Amount as of such date. Prior to the redemption of the Notes in full, the Required Reserve Amount will be equal to at least 1 per cent. of the Aggregate Outstanding Note Principal Amount as of such date. Pursuant to the Pre-Enforcement Priority of Payments and the Post-Enforcement Priority of Payments (as applicable), any payments due under the Subordinated Loan Agreement are subordinated to payments due under the Notes. Second, the Seller will retain, on an on-going basis until the earlier of (i) the redemption of the Class A Notes in full and (ii) the Legal Maturity Date, Class B Notes in an aggregate principal amount equal to at least 4 per cent. of the Aggregate Outstanding Note Principal Amount as of the Note Issuance Date (the "**Retained Class B Notes**"). Pursuant to the Subscription Agreement, the Seller undertakes to purchase and retain the Retained Class B Notes and not to sell and/or transfer them (whether in full or in part) to any third party until the earlier of (i) the redemption of the Class A Notes in full and (ii) the Legal Maturity Date.

Article 409 of the CRR I requires, *inter alia*, that prospective investors have readily available access to certain data in the context of the securitisation. With a view to support compliance with Article 409 of the CRR I, the Seller in its capacity as Servicer will, on a monthly basis after the Note Issuance Date, provide relevant information to investors in the form of the Detailed Investor Reports including data with regard to the Purchased Receivables and an overview of the retention of the material net economic interest. The Cash Administrator will make each Detailed Investor Report provided to it by the Servicer publicly available without undue delay by posting it on Bloomberg.

Each prospective investor and Noteholder is required to independently assess and determine the sufficiency of the information described in the preceding two paragraphs for the purposes of complying with Articles 405 *et seqq.* of the CRR I, and none of the Issuer, the Seller (in its capacity as the Seller and the Servicer), the Arranger nor the Manager gives any representation or assurance that such information is sufficient for such purposes. In addition, if and to the extent Articles 405 *et seqq.* of the CRR I or any similar requirements are relevant to any

prospective investor and Noteholder, such investor and Noteholder should ensure that it complies with the provisions implementing Articles 405 *et seqq.* of the CRR I or such other applicable requirements (as relevant). Investors who are uncertain as to the requirements which apply to them in any relevant jurisdiction should seek guidance from the competent regulator.

In this Prospectus, references to "euro", "Euro", "€" or "EUR" are to the single currency which was introduced in Germany as of 1 January 1999.

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Responsibility for the Contents of this Prospectus

The Issuer assumes responsibility for the information contained in this Prospectus except that:

the Seller only is responsible for the information under "OUTLINE OF THE TRANSACTION—The Portfolio: Purchased Receivables and Related Collateral" on page 9, "OUTLINE OF THE TRANSACTION—Servicing of the Portfolio" on page 9, "RISK FACTORS—Reliance on Administration and Collection Procedures" on page 42, "CREDIT STRUCTURE—Vehicle Loan Interest Rates" on page 47, "CREDIT STRUCTURE—Cash Collection Arrangements" on page 47, "EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS" on page 144, "DESCRIPTION OF THE PORTFOLIO" on pages 145 to 178 (including the information under the sub-headings "—Information Tables regarding the Portfolio", "—Historical Data", and "—Assumed Amortisation of the Purchased Receivables and of the Notes" and excluding the information under "—Eligibility Criteria"), "CREDIT AND COLLECTION POLICY" on pages 179 to 182, and "THE SELLER" on pages 187 to 190;

each of the Cash Administrator, the Calculation Agent and the Principal Paying Agent only is responsible for the information under "THE CASH ADMINISTRATOR, THE CALCULATION AGENT AND THE PRINCIPAL PAYING AGENT" on page 191 and, for the information under "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS—Agency Agreement" on page 140;

the Transaction Security Trustee only is responsible for the information under "THE TRANSACTION SECURITY TRUSTEE" on page 193;

the Account Bank only is responsible for the information under "THE ACCOUNTS – Accounts Agreement" on pages 196 and 197;

the Corporate Administrator only is responsible for the information under "THE CORPORATE ADMINISTRATOR" on page 192 and for the information under "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS—Corporate Administration Agreement" on pages 140 to 143;

the Data Trustee only is responsible for the information under "THE DATA TRUSTEE" on page 194 and for the information under "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS—Data Trust Agreement" on pages 139 and 140; and

each of the Luxembourg Listing Agent and Luxembourg Intermediary only is responsible for the information "THE LUXEMBOURG LISTING AGENT AND LUXEMBOURG INTERMEDIARY" on page 195;

***provided that*, with respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms and assumes responsibility that any such information has been accurately**

reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted, the omission of which would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof (for the avoidance of doubt, except for its responsibility for the correct reproduction thereof).

The Issuer hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Issuer is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Seller hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Seller is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Principal Paying Agent hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Principal Paying Agent is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Transaction Security Trustee hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Transaction Security Trustee is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Account Bank hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Account Bank is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the Calculation Agent and the Cash Administrator hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which each of the Calculation Agent and the Cash Administrator, respectively, is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Corporate Administrator hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Corporate Administrator is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Data Trustee hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Data Trustee is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the Luxembourg Listing Agent and Luxembourg Intermediary hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which each of the Luxembourg Listing Agent and Luxembourg Intermediary is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representations, other than those contained in this Prospectus, in connection with the issue, offering, subscription or sale of the Notes and, if

given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the managing directors of the Issuer, the Transaction Security Trustee, the Manager or the Arranger.

Neither the delivery of this Prospectus nor any offering, sale or delivery of any Notes shall, under any circumstances, create any implication (i) that the information in this Prospectus is correct as of any time subsequent to the date hereof, or, as the case may be, subsequent to the date on which this Prospectus has been most recently amended or supplemented, or (ii) that there has been no adverse change in the financial situation of the Issuer since the date of this Prospectus or, as the case may be, the date on which this Prospectus has been most recently amended or supplemented, or the date of the most recent financial information which is contained in this Prospectus by reference, or (iii) that any other information supplied in connection with the issue of the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

*Prospective purchasers of Notes should conduct such independent investigation and analysis as they deem appropriate to evaluate the merits and risks of an investment in the Notes. **If you are in doubt about the contents of this document, you should consult your stockbroker, bank manager, legal adviser, accountant or other financial adviser.** Neither the Manager nor the Arranger makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied by the Issuer in connection with the Notes and accepts any responsibility or liability therefor. Neither the Manager nor the Arranger undertakes to review the financial condition or affairs of the Issuer or to advise any investor or potential investor in the Notes of any information coming to the attention of the Manager or the Arranger.*

NO ACTION HAS BEEN TAKEN BY THE ISSUER OR THE MANAGER OR THE ARRANGER OTHER THAN AS SET OUT IN THIS PROSPECTUS THAT WOULD PERMIT A PUBLIC OFFERING OF THE NOTES, OR POSSESSION OR DISTRIBUTION OF THIS PROSPECTUS OR ANY OTHER OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS (NOR ANY PART THEREOF) NOR ANY OTHER INFORMATION MEMORANDUM, PROSPECTUS, FORM OF APPLICATION, ADVERTISEMENT, OTHER OFFERING MATERIAL OR OTHER INFORMATION MAY BE ISSUED, DISTRIBUTED OR PUBLISHED IN ANY COUNTRY OR JURISDICTION EXCEPT IN COMPLIANCE WITH APPLICABLE LAWS, ORDERS, RULES AND REGULATIONS, AND THE ISSUER AND THE MANAGER HAVE REPRESENTED THAT ALL OFFERS AND SALES BY THEM HAVE BEEN AND WILL BE MADE ON SUCH TERMS.

This Prospectus may be distributed and its contents disclosed only to the prospective investors to whom it is provided. By accepting delivery of this Prospectus, the prospective investors agree to these restrictions.

The distribution of this Prospectus (or any part thereof) and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part hereof) comes are required by the Issuer and the Manager to inform themselves about and to observe any such restriction.

THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF US PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE MANAGER HAS REPRESENTED AND AGREED THAT IT HAS NOT OFFERED AND SOLD THE NOTES, AND WILL NOT OFFER AND SELL THE NOTES (I) AS PART OF ITS DISTRIBUTION AT ANY TIME AND (II) OTHERWISE UNTIL 40 CALENDAR DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL NOTES ONLY IN ACCORDANCE WITH RULE 903 OF THE REGULATIONS PROMULGATED

UNDER THE SECURITIES ACT. NEITHER THE MANAGER, ITS RESPECTIVE AFFILIATES NOR ANY PERSONS ACTING ON ITS OR THEIR BEHALF HAVE ENGAGED OR WILL ENGAGE IN ANY DIRECTED SELLING EFFORTS WITH RESPECT TO THE NOTES, AND IT AND THEY HAVE COMPLIED AND WILL COMPLY WITH THE OFFERING RESTRICTIONS REQUIREMENTS OF REGULATION S UNDER THE SECURITIES ACT. AT OR PRIOR TO CONFIRMATION OF SALE OF NOTES, IT WILL HAVE SENT TO EACH DISTRIBUTOR, DEALER OR PERSON RECEIVING A SELLING CONCESSION, FEE OR OTHER REMUNERATION THAT PURCHASES NOTES FROM IT DURING THE RESTRICTED PERIOD A CONFIRMATION OR NOTICE TO SUBSTANTIALLY THE FOLLOWING EFFECT:

"THE SECURITIES COVERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS BY ANY PERSON REFERRED TO IN RULE 903 (B)(2) (III) (X) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (Y) OTHERWISE UNTIL 40 CALENDAR DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF THE SECURITIES AS DETERMINED AND CERTIFIED BY THE MANAGER, EXCEPT IN EITHER CASE IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT. TERMS USED ABOVE HAVE THE MEANING GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT."

TERMS USED IN THE FOREGOING PARAGRAPH HAVE THE MEANING GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

FURTHER, THE MANAGER HAS REPRESENTED AND AGREED THAT:

- (A) EXCEPT TO THE EXTENT PERMITTED UNDER U.S. TREAS. REG. SECTION 1.163-5 (C)(2)(I)(D) (THE "**TEFRA D RULES**"), (X) IT HAS NOT OFFERED OR SOLD, AND DURING THE RESTRICTED PERIOD WILL NOT OFFER OR SELL, DIRECTLY OR INDIRECTLY, NOTES IN BEARER FORM TO A PERSON WHO IS WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO A UNITED STATES PERSON, AND (Y) IT HAS NOT DELIVERED AND WILL NOT DELIVER, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR ITS POSSESSIONS DEFINITIVE NOTES IN BEARER FORM THAT ARE SOLD DURING THE RESTRICTED PERIOD;
- (B) IT HAS AND THROUGHOUT THE RESTRICTED PERIOD WILL HAVE IN EFFECT PROCEDURES REASONABLY DESIGNED TO ENSURE THAT ITS EMPLOYEES OR AGENTS WHO ARE DIRECTLY ENGAGED IN SELLING NOTES IN BEARER FORM ARE AWARE THAT SUCH NOTES MAY NOT BE OFFERED OR SOLD DURING THE RESTRICTED PERIOD TO A PERSON WHO IS WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO A UNITED STATES PERSON, EXCEPT AS PERMITTED BY THE TEFRA D RULES;
- (C) IF IT WAS CONSIDERED A UNITED STATES PERSON, THAT IT IS ACQUIRING THE NOTES FOR PURPOSES OF RESALE IN CONNECTION WITH THEIR ORIGINAL ISSUANCE AND AGREES THAT IF IT RETAINS NOTES IN BEARER FORM FOR ITS OWN ACCOUNT, IT WILL ONLY DO SO IN ACCORDANCE WITH THE REQUIREMENTS OF U.S. TREAS. REG. SECTION 1.63-5 (C)(2)(I)(D)(6); AND WITH RESPECT TO EACH AFFILIATE THAT ACQUIRES FROM IT NOTES IN BEARER FORM FOR THE PURPOSE OF OFFERING OR SELLING SUCH NOTES DURING THE RESTRICTED PERIOD THAT IT WILL EITHER (I) REPEAT AND CONFIRM THE REPRESENTATIONS AND AGREEMENTS CONTAINED IN SUB-CLAUSES (A), (B) AND (C); OR (II) OBTAIN FROM SUCH AFFILIATE FOR THE BENEFIT OF THE ISSUER THE REPRESENTATIONS AND AGREEMENTS CONTAINED IN SUB-CLAUSES (A), (B) AND (C).

TERMS USED IN THE FOREGOING PARAGRAPH HAVE THE MEANINGS GIVEN TO THEM BY THE U.S. INTERNAL REVENUE CODE AND REGULATIONS THEREUNDER, INCLUDING THE TEFRA D RULES.

THE MANAGER HAS REPRESENTED AND AGREED THAT IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA WHICH HAS IMPLEMENTED THE PROSPECTUS DIRECTIVE (EACH, A "**RELEVANT MEMBER STATE**") AND WITH EFFECT FROM AND INCLUDING THE DATE ON WHICH THE PROSPECTUS DIRECTIVE IS IMPLEMENTED IN THAT MEMBER STATE (THE "**RELEVANT IMPLEMENTATION DATE**") IT HAS NOT MADE AND WILL NOT MAKE AN OFFER OF NOTES WHICH ARE THE SUBJECT OF THE OFFERING CONTEMPLATED BY THIS PROSPECTUS TO THE PUBLIC IN THAT RELEVANT MEMBER STATE OTHER THAN THE OFFERS CONTEMPLATED IN THIS PROSPECTUS FROM THE TIME THE PROSPECTUS HAS BEEN APPROVED BY THE COMPETENT AUTHORITY IN THAT RELEVANT MEMBER STATE AND PUBLISHED AND, WHERE APPROPRIATE, NOTIFIED TO THE RELEVANT COMPETENT AUTHORITY OR AUTHORITIES IN ACCORDANCE WITH THE PROSPECTUS DIRECTIVE, AND PROVIDED THAT THE ISSUER HAS CONSENTED IN WRITING TO THE USE OF THE PROSPECTUS FOR ANY SUCH OFFERS, EXCEPT THAT IT MAY, WITH EFFECT FROM AND INCLUDING THE RELEVANT IMPLEMENTATION DATE, MAKE AN OFFER OF THE NOTES TO THE PUBLIC IN THAT RELEVANT MEMBER STATE AT ANY TIME:

- (A) TO ANY LEGAL ENTITY WHICH IS A QUALIFIED INVESTOR AS DEFINED IN THE PROSPECTUS DIRECTIVE;
- (B) TO FEWER THAN 150 NATURAL OR LEGAL PERSONS (OTHER THAN QUALIFIED INVESTORS AS DEFINED IN THE PROSPECTUS DIRECTIVE), SUBJECT TO OBTAINING THE PRIOR CONSENT OF THE MANAGER NOMINATED BY THE ISSUER FOR ANY SUCH OFFER, OR
- (C) IN ANY OTHER CIRCUMSTANCES FALLING WITH ARTICLE 3(2) OF THE PROSPECTUS DIRECTIVE,

PROVIDED THAT NO SUCH OFFER OF THE NOTES SHALL REQUIRE THE ISSUER OR THE MANAGER TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE OR SUPPLEMENT A PROSPECTUS PURSUANT TO ARTICLE 16 OF THE PROSPECTUS DIRECTIVE.

FOR THE PURPOSES OF THIS PROVISION, THE EXPRESSION AN "**OFFER OF NOTES TO THE PUBLIC**" IN RELATION TO ANY NOTES IN ANY RELEVANT MEMBER STATE MEANS THE COMMUNICATION IN ANY FORM BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE NOTES TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE OR SUBSCRIBE THE NOTES, AS THE SAME MAY BE VARIED IN THAT MEMBER STATE BY ANY MEASURE IMPLEMENTING THE PROSPECTUS DIRECTIVE IN THAT MEMBER STATE, AND THE EXPRESSION "**PROSPECTUS DIRECTIVE**" MEANS DIRECTIVE 2003/71/EC (AS AMENDED, INCLUDING BY DIRECTIVE 2010/73/EU), AND INCLUDES ANY RELEVANT IMPLEMENTING MEASURE IN THE RELEVANT MEMBER STATE.

THE MANAGER HAS REPRESENTED, WARRANTED AND AGREED THAT:

- (A) IT HAS ONLY COMMUNICATED OR CAUSED TO BE COMMUNICATED AND WILL ONLY COMMUNICATE OR CAUSE TO BE COMMUNICATED ANY INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE "**FSMA**")) RECEIVED BY IT IN CONNECTION WITH THE ISSUE OR SALE OF THE NOTES IN CIRCUMSTANCES IN WHICH SECTION 21 (1) OF THE FSMA DOES NOT APPLY TO THE ISSUER, AND

- (B) IT HAS COMPLIED AND WILL COMPLY WITH ALL APPLICABLE PROVISIONS OF THE FSMA WITH RESPECT TO ANYTHING DONE BY IT IN RELATION TO THE NOTES IN, FROM OR OTHERWISE INVOLVING THE UNITED KINGDOM.

IN THE FOREGOING PARAGRAPHS, "**UNITED KINGDOM**" SHALL MEAN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND.

THE MANAGER HAS REPRESENTED, WARRANTED AND AGREED THAT IT HAS NOT OFFERED OR SOLD AND WILL NOT OFFER OR SELL, DIRECTLY OR INDIRECTLY, NOTES TO THE PUBLIC IN FRANCE WITHIN THE MEANING OF ARTICLE L.411-1 OF THE FRENCH MONETARY AND FINANCIAL CODE (*CODE MONÉTAIRE ET FINANCIER*), AND THAT IT HAS NOT DISTRIBUTED OR CAUSED TO BE DISTRIBUTED AND WILL NOT DISTRIBUTE OR CAUSE TO BE DISTRIBUTED TO THE PUBLIC IN FRANCE THIS PROSPECTUS OR ANY OTHER OFFERING MATERIAL RELATING TO THE NOTES AND SUCH OFFERS, SALES AND DISTRIBUTIONS HAVE BEEN AND WILL BE MADE IN FRANCE ONLY TO (A) PROVIDERS OF INVESTMENT SERVICES RELATING TO PORTFOLIO MANAGEMENT FOR THE ACCOUNT OF THIRD PARTIES (*PERSONNES FOURNISSANT LE SERVICE D'INVESTISSEMENT DE GESTION DE PORTEFEUILLE POUR COMPTE DE TIERS*), AND/OR (B) QUALIFIED INVESTORS (*INVESTISSEURS QUALIFIÉS*) INVESTING FOR THEIR OWN ACCOUNT, OTHER THAN INDIVIDUALS, AND/OR (C) A RESTRICTED CIRCLE OF INVESTORS (*CERCLE RESTREINT D'INVESTISSEURS*) INVESTING FOR THEIR OWN ACCOUNT, ALL AS DEFINED IN AND IN ACCORDANCE WITH ARTICLES L.411-1, L.411-2 AND D.411-1 TO D.411-4 OF THE FRENCH MONETARY AND FINANCIAL CODE (*CODE MONÉTAIRE ET FINANCIER*).

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates or an offer to sell or the solicitation of an offer to buy any of the securities offered hereby in any circumstances in which such offer or solicitation is unlawful. This Prospectus does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. For a further description of certain restrictions on offerings and sales of the Notes and distribution of this Prospectus, or an invitation by, or on behalf of, the Issuer or the Manager to subscribe for or to purchase any of the Notes (or of any part thereof), see "SUBSCRIPTION AND SALE".

An investment in the Notes is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment.

It should be remembered that the price of securities and the income from them can go down as well as up.

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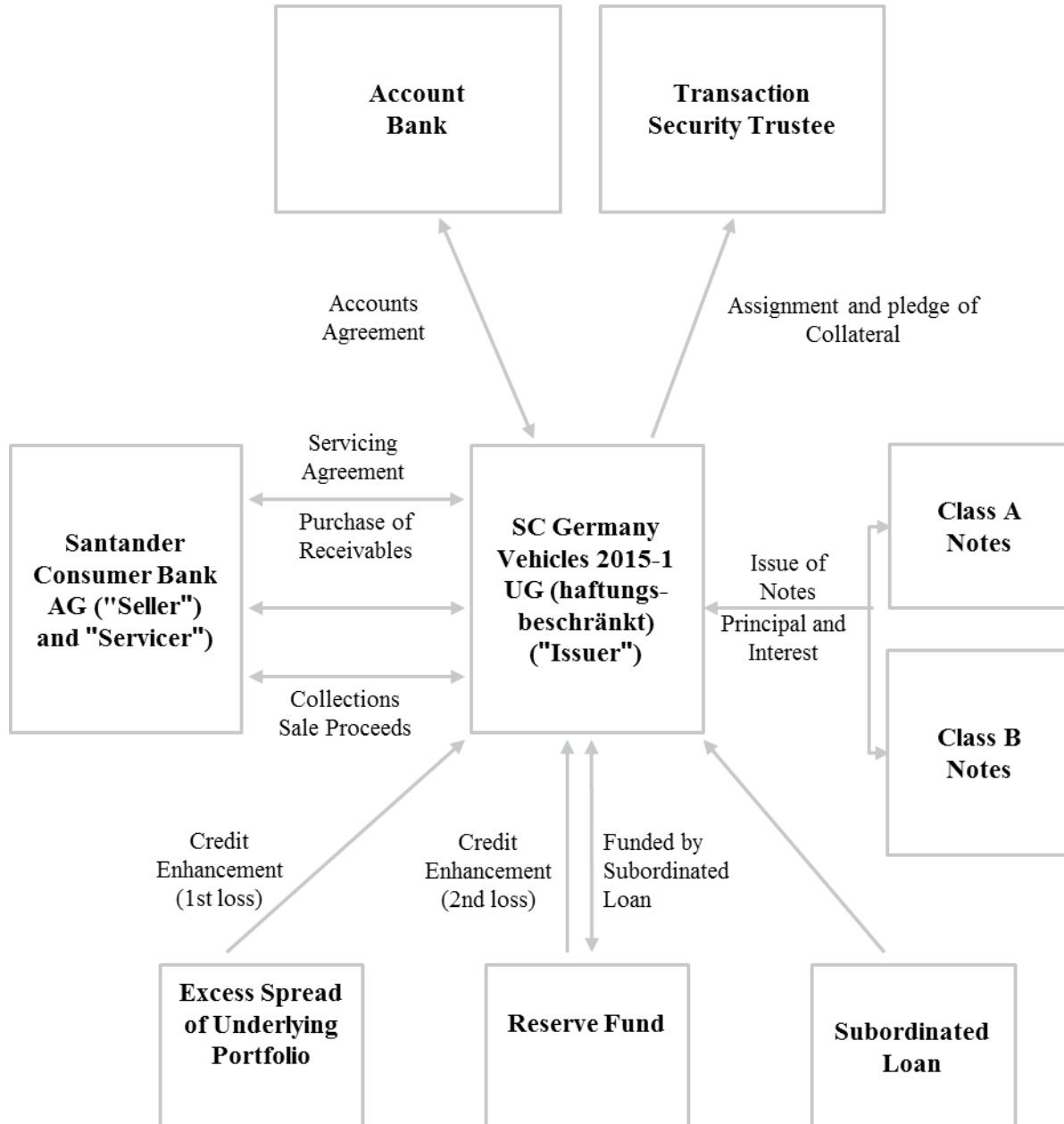
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TRANSACTION STRUCTURE

Diagrammatic Overview

(as of the close of business on the Note Issuance Date)

This diagrammatic overview of the transaction structure is qualified in its entirety by reference to the more detailed information appearing elsewhere in this Prospectus.



OUTLINE OF THE TRANSACTION

The following outline should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Prospectus. In the event of any inconsistency between this outline of the transaction and the information provided elsewhere in this Prospectus, the latter shall prevail.

THE PARTIES

Issuer	SC Germany Vehicles 2015-1 UG (<i>haftungsbeschränkt</i>), a special purpose company incorporated with limited liability (<i>Unternehmergeellschaft (haftungsbeschränkt)</i>) under the laws of the Federal Republic of Germany (" Germany ") and which has its registered office at c/o SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany. See "THE ISSUER".
Corporate Administrator	SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Corporate Administration Agreement" and "THE CORPORATE ADMINISTRATOR".
Seller	Santander Consumer Bank AG, Santander-Platz 1, 41061 Mönchengladbach, Germany. See "THE SELLER".
Servicer	The Loan Contracts will be serviced by the Seller (in this capacity, the " Servicer "). See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement".
Transaction Security Trustee	SFM Trustees Limited, 35 Great St. Helen's, London EC3A 6AP, United Kingdom. See "THE TRANSACTION SECURITY TRUSTEE".
Data Trustee	SFM Trustees GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Data Trust Agreement" and "THE DATA TRUSTEE".
Subordinated Loan Provider	Santander Consumer Bank AG, Santander-Platz 1, 41061 Mönchengladbach, Germany. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Subordinated Loan Agreement".
Funding Loan Provider	Santander Consumer Finance, S.A., Ciudad Grupo Santander, Avenida de Cantabria, s/n, 28660 Boadilla del Monte (Madrid), Spain. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Funding Loan Agreement".
Account Bank	The Bank of New York Mellon, Frankfurt Branch, Messeturm, Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany. See "THE ACCOUNTS".
Arranger	Raiffeisen Bank International AG, Am Stadtpark 9, 1030 Vienna, Austria.
Manager	Raiffeisen Bank International AG, Am Stadtpark 9, 1030 Vienna, Austria. See "SUBSCRIPTION AND SALE".

Cash Administrator, Calculation Agent and Principal Paying Agent	The Bank of New York Mellon, London Branch, One Canada Square, London, E14 5AL, England. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — THE CASH ADMINISTRATOR, THE CALCULATION AGENT AND THE PRINCIPAL PAYING AGENT".
Luxembourg Listing Agent and Luxembourg Intermediary	The Bank of New York Mellon (Luxembourg) S.A., Vertigo Building-Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg. See "THE LUXEMBOURG LISTING AGENT AND LUXEMBOURG INTERMEDIARY".
Rating Agencies	Fitch Ratings Limited, and Standard & Poor's Credit Market Services Europe Limited.

THE NOTES

The Transaction	The Seller will sell and assign Receivables, together with the Related Collateral, to the Issuer on or before the Note Issuance Date pursuant to a receivables purchase agreement dated on or about 21 April 2015 and entered into between the Issuer and the Seller (the " Receivables Purchase Agreement "). During the Replenishment Period the Seller may, subject to certain requirements, at its option, sell and assign Additional Receivables to the Issuer pursuant to the Receivables Purchase Agreement. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Receivables Purchase Agreement".
Classes of Notes	The EUR633,500,000 Class A 0.978% Notes due on the Payment Date falling in November 2030 (the " Class A Notes ") and the EUR66,500,000 Class B 2.167% Notes due on the Payment Date falling in November 2030 (the " Class B Notes "), will be backed by the Portfolio. See "TERMS AND CONDITIONS OF THE NOTES".
Note Issuance Date	23 April 2015.
Funding Loan	Santander Consumer Finance, S.A. (the " Funding Loan Provider ") will make available to the Issuer an interest-bearing amortising funding loan (the " Funding Loan ") which is not credit-linked to the Portfolio and which will, subject to certain conditions, be disbursed on the Note Issuance Date to provide the Issuer with the funds necessary to pay certain amounts payable on the Note Issuance Date under the other Transaction Documents (including, without limitation, the fees, costs and expenses payable on the Note Issuance Date to the Manager and to other parties in connection with the offer and sale of the Notes) and certain other costs. The Seller will pay to the Issuer a fee (the " Transaction Cost Fee ") on each Payment Date in accordance with the Receivables Purchase Agreement. The Transaction Cost Fee will not form part of the Available Distribution Amount. The claims and rights under the Funding Loan will be limited to the amounts received by the Issuer from time to time in respect of the Transaction Cost Fee. The Funding Loan will be repaid in eighteen (18) instalments on each Payment Date following the Note Issuance Date. The Funding Loan will be subject to partial repayment, early repayment or optional repayment in specific circumstances and subject to certain conditions. All payment obligations of the Issuer under the Funding Loan constitute limited obligations to pay out only the Transaction Cost Fee received by the Issuer under the Receivables Purchase Agreement. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Funding Loan

Agreement".

Form and Denomination	<p>Each of the Class A Notes and the Class B Notes will initially be represented by a Temporary Global Note of the relevant Class in bearer form, without interest coupons attached. The Global Notes representing the Class A Notes will be deposited with a common safekeeper for Clearstream Luxembourg and Euroclear and the Global Notes representing the Class B Notes will be deposited with a common safekeeper for Clearstream Luxembourg and Euroclear. The Notes will be transferred in book-entry form only. The Notes will be issued in denominations of EUR 100,000. The Global Notes will not be exchangeable for definitive securities. See "TERMS AND CONDITIONS OF THE NOTES — Form and Denomination".</p>
Status and Priority	<p>The Notes constitute direct, secured and (subject to Condition 3.2 (<i>Limited Recourse</i>)) of the terms and conditions of the Notes (the "Terms and Conditions") unconditional obligations of the Issuer. The Class A Notes rank <i>pari passu</i> among themselves in respect of security. Following the occurrence of an Issuer Event of Default (as defined in Condition 3.5 (<i>Issuer Event of Default</i>)), the Class A Notes rank against all other current and future obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments. The Class B Notes rank <i>pari passu</i> among themselves in respect of security. Following the occurrence of an Issuer Event of Default, the Class B Notes rank against all other current and future obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments, see "CREDIT STRUCTURE — Post-Enforcement Priority of Payments" and "TERMS AND CONDITIONS OF THE NOTES — Status and Priority". The Funding Loan constitutes direct, unsecured, unconditional and limited recourse obligations of the Issuer to the extent that the Issuer receives the Transaction Cost Fee under the Receivables Purchase Agreement.</p> <p>Prior to the occurrence of an Issuer Event of Default, the Issuer's obligations to make payments of principal and interest on the Class A Notes and the Class B Notes rank in accordance with the Pre- Enforcement Priority of Payments.</p> <p>The Issuer's obligations to make payments of principal and interest on the Class B Notes are subordinated to the Issuer's obligations to make payments of principal and interest on the Class A Notes in accordance with the Terms and Conditions of the Notes, see "CREDIT STRUCTURE — Pre-Enforcement Priority of Payments" and "TERMS AND CONDITIONS OF THE NOTES — Redemption — Pre- Enforcement Priority of Payments".</p>
Limited Recourse	<p>The Notes will be limited recourse obligations of the Issuer. See "TERMS AND CONDITIONS OF THE NOTES — Provision of Security; Limited Payment Obligation; Issuer Event of Default" and "RISK FACTORS — Liability under the Notes; Limited Recourse".</p>
Replenishment	<p>During the Replenishment Period, the Seller may, at its option, effect a replenishment of the Portfolio underlying the Notes by offering to sell additional Receivables to the Issuer pursuant to the Receivables Purchase Agreement. Pursuant to the Receivables Purchase Agreement and subject to certain requirements, the Issuer is obliged to purchase such additional Receivables from the Seller. See "TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption" and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Receivables Purchase</p>

Agreement".

Replenishment Period

The Replenishment Period will start on the Note Issuance Date and will end on the Payment Date falling in the 36th month after the Note Issuance Date (inclusive) or, if earlier, on the date on which an Early Amortisation Event occurs (exclusive). See "TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption" and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Receivables Purchase Agreement".

Early Amortisation Event

The occurrence of any of the following events during the Replenishment Period shall constitute an Early Amortisation Event:

- a. the Cumulative Loss Ratio exceeds:
 - i. 0.75% as of any Cut-Off Date prior to or on 31 March 2016;
 - ii. 1.5% as of any Cut-Off Date prior to or on 31 March 2017;
and
 - iii. 2.25% as of any Cut-Off Date prior to or on 31 March 2018;
- b. on three consecutive Cut-Off Dates, the amount standing to the credit of the Purchase Shortfall Account is higher than 10% of the initial aggregate Note Principal Amount of all Notes (such event a "**Purchase Shortfall Event**");
- c. as of any Payment Date, the initial Note Principal Amount of all Notes would, after the application of the Available Distribution Amount in accordance with the Pre-Enforcement Priority of Payments, exceed the sum of (i) the Aggregate Outstanding Principal Amount of all Purchased Receivables as of such Payment Date (including the Principal Amount of the Additional Receivables to be purchased on such Payment Date) and (ii) the amount standing to the credit of the Purchase Shortfall Account as of such Payment Date;
- d. a Termination Event or a Servicer Termination Event has occurred; or
- e. the Seller has delivered a notice to the Issuer notifying the Issuer of its intention to end the Replenishment Period at least thirty (30) calendar days prior to the contemplated early amortization date which shall be a Payment Date (such Payment Date or, if applicable the Payment Date notified in such notice, the "**Replenishment Termination Option**"),
- f. the Restructured Loans Ratio exceeds 8 % as of any Cut-Off Date.

See "TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption" and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Receivables Purchase Agreement".

Interest

On each Payment Date, interest on each Note is payable monthly in arrear by applying the relevant margin to the Note Principal Amount (as defined in Condition 5.2 (*Note Principal Amount*) of the Terms and Conditions) of such Note. With respect to the Class A Notes, the margin will be 0.978% per annum

and, with respect to the Class B Notes, the margin will be 2.167% per annum. See "TERMS AND CONDITIONS OF THE NOTES — Payments of Interest".

The Interest Period with respect to each Payment Date will be the period commencing on (and including) the Payment Date immediately preceding such Payment Date and ending on (but excluding) such Payment Date with the first Interest Period commencing on (and including) the Note Issuance Date and ending on (but excluding) the first Payment Date. See "TERMS AND CONDITIONS OF THE NOTES — Payments of Interest".

Payment Dates	During the Replenishment Period, payments of interest, and following the expiration of the Replenishment Period, payments of principal and interest will be made to the Noteholders on the eleventh (11th) day of any calendar month, unless such date is not a Business Day in which case the Payment Date shall be the next succeeding Business Day unless such date would thereby fall into the next calendar month, in which case the payment will be made on the immediately preceding Business Day. The first Payment Date will be the Payment Date falling on 11 May 2015.
Legal Maturity Date	Unless previously redeemed as described herein, each Class of Notes will be redeemed on the Payment Date falling in November 2030, subject to the limitations set forth in Condition 3.2 (<i>Limited Recourse</i>) of the Terms and Conditions. The Issuer will be under no obligation to make any payment under the Notes after the Legal Maturity Date. See "TERMS AND CONDITIONS OF THE NOTES — Redemption — Legal Maturity Date".
Scheduled Maturity Date	The Payment Date falling in November 2027. See "TERMS AND CONDITIONS OF THE NOTES — Redemption — Scheduled Maturity Date".
Amortisation	The amortisation of the Notes will only commence after the expiration of the Replenishment Period. On each Payment Date following the expiration of the Replenishment Period, the Notes will be subject to redemption in accordance with the Pre-Enforcement Priority of Payments sequentially in the following order: first the Class A Notes until full redemption and thereafter the Class B Notes. See "TERMS AND CONDITIONS OF THE NOTES — Redemption — Amortisation".
Early Amortisation	The Notes will be subject to redemption in part prior to the expiration of the Replenishment Period if an Early Amortisation Event occurs. See "CERTAIN DEFINITIONS – Early Amortisation Event".
Clean-up Call	On any Payment Date on which the Aggregate Outstanding Principal Amount has been reduced to less than 10% of the Aggregate Outstanding Note Principal Amount as of the Note Issuance Date, the Seller will have, subject to certain requirements, the option under the Receivables Purchase Agreement to repurchase all outstanding Purchased Receivables (together with any Related Collateral) held by the Issuer, and the Issuer shall, upon due exercise of such repurchase option, redeem all (but not some only) of the Notes on the Early Redemption Date, if the proceeds distributable as a result of such repurchase will be at least equal to the then outstanding Note Principal Amounts of the Class A Notes plus accrued but unpaid interest thereon together with all amounts ranking prior thereto according to the Pre- Enforcement Priority of Payments. See "TERMS AND CONDITIONS OF THE NOTES — Redemption — Early Redemption".

Optional Redemption for Taxation Reasons	<p>In the event that the Issuer is required by law to deduct or withhold certain taxes with respect to any payment under the Notes, the Notes may, at the option of the Issuer and subject to certain conditions, be redeemed in whole but not in part at their then outstanding aggregate Note Principal Amounts, together with accrued interest (if any) to the date (which must be a Payment Date) fixed for redemption. See "TERMS AND CONDITIONS OF THE NOTES — Redemption — Optional Redemption for Taxation Reasons".</p>
Taxation	<p>All payments of principal of and interest on the Notes will be made free and clear of, and without any withholding or deduction for or on account of, tax (if any) applicable to the Notes under any applicable jurisdiction, unless such withholding or deduction is required by law. If any such withholding or deduction is imposed, the Issuer will not be obliged to pay any additional or further amounts as a result thereof. See "TAXATION".</p>
Resolutions of Noteholders	<p>In accordance with the German Act on Debt Securities of 2009 (<i>Schuldverschreibungsgesetz</i>), the Notes contain provisions pursuant to which the Noteholders may agree by resolution to amend the Terms and Conditions and to decide upon certain other matters regarding the Notes including, without limitation, the appointment or removal of a common representative for the Noteholders of any Class. Resolutions of Noteholders of any Class properly adopted, by vote taken without a meeting in accordance with the Terms and Conditions, are binding upon all Noteholders of such Class. Resolutions which do not provide for identical conditions for all Noteholders of any Class are void, unless Noteholders of such Class which are disadvantaged expressly consent to their being treated disadvantageously. In no event, however, may any obligation to make any payment or render any other performance be imposed on any Noteholder of any Class by resolution. As set out in the Terms and Conditions, resolutions providing for certain material amendments to the Terms and Conditions require a majority of not less than 75 per cent. of the votes cast. Resolutions regarding other amendments are passed by a simple majority of the votes cast. See "TERMS AND CONDITIONS OF THE NOTES — Resolutions of Noteholders".</p>
Note Collateral	<p>The obligations of the Issuer under the Notes will be secured by first ranking security interests granted to the Transaction Security Trustee for the benefit of the Noteholders and other Beneficiaries in respect of (i) the Issuer's claims under the Purchased Receivables and the Related Collateral acquired by the Issuer pursuant to the Receivables Purchase Agreement, (ii) the Issuer's claims under certain Transaction Documents and (iii) the rights of the Issuer under the Accounts, all of which have been assigned, transferred and pledged by way of security to the Transaction Security Trustee pursuant to the Transaction Security Agreement (collectively, the "Collateral" or the "Note Collateral").</p> <p>Upon the occurrence of an Issuer Event of Default, the Transaction Security Trustee will enforce or will arrange for the enforcement of the Note Collateral and any credit in the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account (excluding certain amounts stated in Clause 24.1 of the Transaction Security Agreement) and any proceeds obtained from the enforcement of the Note Collateral pursuant to the Transaction Security Agreement will be applied exclusively in accordance with the Post-Enforcement Priority of Payments. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT— Post-</p>

Enforcement Priority of Payments".

The Portfolio: Purchased
Receivables and Related
Collateral

The Portfolio underlying the Notes consists of car, motorbike and camper/caravan (leisure) loan receivables originated by the Seller in its ordinary course of business. The Aggregate Outstanding Principal Amount as of the close of business (in Mönchengladbach) on 23 April 2015 was EUR699,999,999.63. The Purchased Receivables constitute loan instalment claims arising under amortising loan agreements (the "**Loan Contracts**") entered into between the Seller, as lender, and certain debtors (including businesses and commercial customers) (the "**Debtors**"), as borrowers, for the purpose of financing (i) the acquisition of the Financed Vehicles and, if relevant, (ii) the contribution owed by the Debtors for accession to certain insurance agreements in connection with the financing of the acquisition of the related Financed Vehicles. The Purchased Receivables, together with the Related Collateral, will be assigned and transferred to the Issuer on or before the Note Issuance Date and as of any Payment Date during the Replenishment Period pursuant to the Receivables Purchase Agreement. The Related Collateral includes, *inter alia*, the security interest in the Financed Vehicles obtained by the Seller, any guarantee given for the loan and insurance claims relating to the Financed Vehicles. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT".

Servicing of the Portfolio

The Purchased Receivables and the Related Collateral will be administered, collected and enforced by the Seller in its capacity as Servicer under a servicing agreement (as amended or amended and restated from time to time, the "**Servicing Agreement**") dated on or about 21 April 2015, and, upon outsourcing of the servicing and collection of the receivables and related collateral of the Seller to a (direct or indirect) subsidiary of the Seller or of a parent of the Seller and the appointment of such subsidiary as new Servicer by the Issuer, by such subsidiary in its capacity as new Servicer under the Servicing Agreement, and, upon termination of the appointment of the Servicer following the occurrence of a Servicer Termination Event, by a substitute servicer appointed by the Issuer. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement" and "CREDIT AND COLLECTION POLICY".

Collections

Subject to the Pre-Enforcement Priority of Payments, the Collections received on the Portfolio will, during the Replenishment Period, be available for the payment of interest on the Notes and the replenishment of the Portfolio and, after the expiration of the Replenishment Period, for the payment of interest and principal on the Notes. The Collections will include, *inter alia*, all cash amounts and proceeds received under the Purchased Receivables and the Related Collateral, any proceeds from the sale of Defaulted Receivables to a third party, and Deemed Collections. Pursuant to the Receivables Purchase Agreement, the Seller has undertaken to pay to the Issuer any Deemed Collection which is equal to the amount of the Outstanding Principal Amount (or the affected portion thereof) of any Purchased Receivable if such Purchased Receivable becomes a Disputed Receivable, such Purchased Receivable proves not to have been an Eligible Receivable on the Purchase Date, such Purchased Receivable is deferred, redeemed or modified other than in accordance with the Servicing Agreement or certain other events occur. See "CERTAIN DEFINITIONS — Deemed Collection".

Reserve Fund	<p>The Notes will have the benefit of a reserve fund which will provide limited protection against shortfalls in the amounts required to pay interest and, to a certain extent, principal on the Notes (the "Reserve Fund"). See "CREDIT STRUCTURE — Reserve Fund" and "RISK FACTORS — Limited Availability of the Reserve Fund". The Reserve Fund will be maintained as a ledger to the Transaction Account. Prior to the occurrence of an Issuer Event of Default, to the extent the amounts standing to the credit of the Reserve Fund have been applied to meet the payment obligations of the Issuer in accordance with the Pre- Enforcement Priority of Payments, the Reserve Fund will be replenished on each Payment Date up to the Required Reserve Amount as determined as of the relevant Cut-Off Date immediately preceding such Payment Date by any excess funds of the Available Distribution Amount which are not used to meet the prior-ranking payment obligations of the Issuer in accordance with the Pre-Enforcement Priority of Payments. See "TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption — Pre-Enforcement Priority of Payments" and "CREDIT STRUCTURE — Pre-Enforcement Priority of Payments".</p> <p>To the extent that the Required Reserve Amount for the Notes is lower than the amount credited on the Reserve Fund at any time prior to the occurrence of an Issuer Event of Default, the difference between the Required Reserve Amount for the Notes and the actual amount standing to the credit of the Reserve Fund will be used to meet certain other payment obligations of the Issuer in accordance with the Pre- Enforcement Priority of Payments, including (without limitation) to repay the Subordinated Loan.</p>
Required Reserve Amount	<p>Pursuant to the Receivables Purchase Agreement and the Terms and Conditions of the Notes, the Required Reserve Amount will be (a) EUR 7,000,000.00 or (b) zero, if the Aggregate Outstanding Principal Amount is zero. See "CERTAIN DEFINITIONS — Required Reserve Amount".</p>
Subordinated Loan	<p>Santander Consumer Bank AG (the "Subordinated Loan Provider") will make available to the Issuer an interest-bearing subordinated loan facility (the "Subordinated Loan") in the principal amount of EUR7,000,000.00 for the purpose of establishing the Reserve Fund. The obligations of the Issuer under the Subordinated Loan are subordinated to the obligations of the Issuer under the Notes and, following an Issuer Event of Default, rank against the Notes and all other obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments. Prior to the occurrence of an Issuer Event of Default, interest under the Subordinated Loan will be payable by the Issuer monthly in arrear on each Payment Date, subject to and in accordance with the Pre-Enforcement Priority of Payments. The outstanding principal amount of the Subordinated Loan will be repaid by the Issuer from reductions of the Required Reserve Amount in accordance with the Pre-Enforcement Priority of Payments. See "CREDIT STRUCTURE — Subordinated Loan" and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Subordinated Loan Agreement".</p>
Commingling Reserve	<p>Only following the occurrence of a Commingling Reserve Trigger Event, the Notes will have the benefit of a commingling reserve which will provide limited protection against the commingling risk in respect of the Seller acting as the Servicer. See "CREDIT STRUCTURE — Commingling Reserve". If, at any time as long as the Seller is the Servicer, a Commingling Reserve Trigger</p>

Event occurs, the Seller will be required, within forty (40) Business Days, to transfer the Commingling Reserve Amount to an account of the Issuer held with the Account Bank (the "**Commingling Reserve Account**"). If, at any time as long as the Seller is the Servicer, the balance credited to the Commingling Reserve Account as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event is less than the Commingling Reserve Amount as calculated as of such Cut-Off Date, taking into account any amounts to be credited to the Commingling Reserve Account on the immediately following Payment Date pursuant to the Pre-Enforcement Priority of Payments, the Servicer will be required, within thirty (30) Business Days, to transfer an amount equal to such shortfall as determined as of such Cut-Off Date to the Commingling Reserve Account. The amounts, if any, standing to the credit of the Commingling Reserve Account shall be included in the Available Distribution Amount and shall be applied on any Payment Date in accordance with the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer under item *fifth* of the Pre-Enforcement Priority of Payments) if and to the extent that the Seller has, on such Payment Date, failed to transfer to the Issuer any Collections (other than Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections) received or payable by the Seller during, or with respect to, the Collection Period ending on the Cut-Off Date immediately preceding such Payment Date or if the Servicer is either overindebted (*überschuldet*) or unable to pay its debts (*zahlungsunfähig*) or the inability of the Servicer to pay its debts is imminent (*drohende Zahlungsunfähigkeit*) or if any measures under Section 21 of the German Insolvency Code or under Sections 45, 46 or 46b of the German Banking Act (*Gesetz über das Kreditwesen*) are taken in respect of the Servicer. On any Payment Date following the occurrence of a Commingling Reserve Trigger Event, the Issuer shall pay to the Seller any Commingling Reserve Excess Amount. "**Commingling Reserve Excess Amount**" means, as of any Payment Date, the excess of the amounts standing to the credit of the Commingling Reserve Account over the Commingling Reserve Amount on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with item 7 of the definition of the Available Distribution Amount.

A "**Commingling Reserve Trigger Event**" will have occurred if, at any time, (a) Santander Consumer Finance, S.A. ceases to have the Commingling Required Rating or (b) Santander Consumer Finance, S.A. ceases to own, directly or indirectly, at least 60 % of the share capital of the Seller, unless in each case (a) and (b), the Seller has at least the Commingling Required Rating.

"**Commingling Reserve Amount**" means, (a) as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event, an amount equal to the sum of (i) the amount of the Scheduled Collections for the period from the beginning of the Collection Period immediately following the relevant Cut-Off Date to the last Business Day of the second Collection Period after the relevant Cut-Off Date (both inclusive) and (ii) 2% of the Aggregate Outstanding Note Principal Amount as of the relevant Cut-Off Date or (b) if as of any Cut-Off Date no Commingling Reserve Trigger Event has occurred, zero.

"**Commingling Required Rating**" means, with respect to any entity, that the long-term unsecured, unsubordinated and unguaranteed debt obligations of

such entity are assigned a rating of at least BBB (or its replacement) by S&P and such rating has not been withdrawn.

"**Scheduled Collections**" means, with respect to any Collection Period, the amount of Collections scheduled to be received by the Servicer with respect to such Collection Period as reported by the Servicer for such Collection Period.

Set-Off Reserve

Only following the occurrence of a Set-Off Reserve Trigger Event, the Notes will have the benefit of a set-off reserve which will provide limited protection against the set-off risk in respect of the Seller. See "CREDIT STRUCTURE — Set-Off Reserve". If a Set-Off Reserve Trigger Event occurs, the Seller will be required, within forty (40) Business Days, to transfer the Set-Off Reserve Amount to an account of the Issuer held with the Account Bank (the "**Set-Off Reserve Account**"). If the balance credited to the Set-Off Reserve Account as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event is less than the Set-Off Reserve Amount as calculated as of such Cut-Off Date, taking into account any amounts to be credited to the Set-Off Reserve Account on the immediately following Payment Date pursuant to the Pre-Enforcement Priority of Payments, the Seller will be required, within forty (40) Business Days, to transfer an amount equal to such shortfall as determined as of such Cut-Off Date to the Set-Off Reserve Account. The amounts, if any, standing to the credit of the Set-Off Reserve Account shall be included in the Available Distribution Amount and shall be applied on any Payment Date in accordance with the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer under item *fifth* of the Pre-Enforcement Priority of Payments) if and to the extent that (i) any amounts that would otherwise have to be transferred to the Issuer as Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections for the Collection Period ending on the relevant Cut-Off Date were not received by the Seller as a result of any of the actions described in item (B)(i) of the definition of Deemed Collections and (ii) the Issuer does not have a right of set-off against the Seller with respect to such amounts on the relevant Payment Date. On any Payment Date following the occurrence of a Set-Off Reserve Trigger Event, the Issuer shall pay to the Seller the Set-Off Reserve Excess Amount. "**Set-Off Reserve Excess Amount**" means, as of any Payment Date, the excess of the amounts standing to the credit of the Set-Off Reserve Account over the Set-Off Reserve Amount on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with item 8 of the definition of Available Distribution Amount.

A "**Set-Off Reserve Trigger Event**" will have occurred if, at any time, (a) Santander Consumer Finance S.A. ceases to have the Set-Off Required Rating or (b) Santander Consumer Finance S.A. ceases to own, directly or indirectly, at least 60% of the share capital of the Seller or (c) the Seller's credit quality is not commensurate with the Set-Off Required Rating, unless in each case (a) and (b), the Seller has at least the Set-Off Required Rating.

"**Set-Off Required Rating**" means, with respect to any entity, that the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB (or its replacement) by S&P and BBB+ (or its replacement) and the short-term unsecured, unsubordinated and unguaranteed debt obligations of at least F2 (or its replacement) by Fitch and any such rating has not been withdrawn.

"Set-Off Reserve Amount" shall mean:

- (A) as of the Cut-Off Date immediately preceding the occurrence of a Set-Off Reserve Trigger Event and as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the sum of the Seller Deposits which are calculated with respect to each Debtor of Purchased Receivables outstanding as of the relevant date who, on the relevant Cut- Off Date, holds Seller Deposits, and are in each case equal to the lower of (i) the amount of Seller Deposits which, as of the relevant Cut-Off Date, are held with the Seller by such Debtor, and (ii) the Principal Amount of the Purchased Receivables owed by such Debtor outstanding as of the relevant Cut-Off Date; or
- (B) if as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the Seller has at least the Set-Off Required Rating, zero.

"Seller Deposits" means, with respect to any Debtor, the actual aggregate amount held by such Debtor in the form of money market accounts (*Tagesgeldkonten*), savings certificates (*Sparbriefe*), savings accounts (*Sparkonten*), current accounts (*Girokonten*) and/or credit cards (*Kreditkarten*) with the Seller at the relevant time.

Issuer's Sources of Income

The following amounts will be used by the Issuer to pay interest on and principal of the Notes and to pay any amounts due to the other creditors of the Issuer: (i) all payments of principal and interest and certain other payments and any Deemed Collections received under or with respect to the Purchased Receivables pursuant to the Receivables Purchase Agreement and/or the Servicing Agreement, (ii) all amounts of interest earned on the euro denominated interest-bearing transaction account of the Issuer (the "**Transaction Account**"), (iii) all amounts standing to the credit of the Transaction Account which represent the credit standing to the Reserve Fund, (iv) all amounts standing to the credit of the Commingling Reserve Account (except interest earned on such amounts), (v) all amounts standing to the credit of the Set-Off Reserve Account (except interest earned on such amounts), (vi) all amounts standing to the credit of the Purchase Shortfall Account (including interest earned on such amounts), (vii) all amounts paid by any third party as purchase price for Defaulted Receivables, (viii) the Transaction Cost Fee and (ix) all other amounts which constitute the Available Distribution Amount and which have not been mentioned in (i) to (viii) above. The Issuer will use amounts received in respect of the Transaction Cost Fee under the Receivables Purchase Agreement exclusively to repay the Funding Loan Provider.

Available Distribution Amount

"**Available Distribution Amount**" means, with respect to any Cut-Off Date and the Collection Period ending on such Cut-Off Date, an amount calculated by the Servicer pursuant to the Servicing Agreement as of such Cut-Off Date and notified to the Issuer, the Corporate Administrator, the Calculation Agent, the Principal Paying Agent, the Cash Administrator and the Transaction Security Trustee not later than on the second (2nd) Business Day after such Cut-Off Date (or, if the Servicer fails to calculate such amount, the amount calculated by the Cash Administrator with respect to such Cut-Off Date on the basis of the information available to the Cash Administrator at that time (for the avoidance of doubt, the Cash Administrator will not be obliged to request

such information from any party to the Transaction Documents (other than the Calculation Agent as long as the Cash Administrator and the Calculation Agent are the same entity) or any other third party) and notified to the Issuer, the Corporate Administrator, the Principal Paying Agent, the Calculation Agent and the Transaction Security Trustee not later than on the fourth (4th) Business Day preceding the Payment Date following such Cut-Off Date), as the sum of:

1. the amounts standing to the credit of the Reserve Fund as of such Cut-Off Date, *provided that*, such amounts shall only be applied on any Payment Date towards items *first* to *seventh* (both inclusive) of the Pre-Enforcement Priority of Payments;
2. any Collections (including, for the avoidance of doubt, Deemed Collections paid by the Seller or (if different) the Servicer) received by the Issuer from the Seller or (if different) the Servicer during the Collection Period ending on such Cut-Off Date;
3. (i)(A) any stamp duty, registration and other similar taxes, (B) any taxes levied on the Issuer and any relevant parties involved in the financing of the Issuer due to the Issuer and such parties having entered into the Receivables Purchase Agreement, the other Transaction Documents or other agreements relating to the financing of the acquisition by the Issuer of the Purchased Receivables, (C) any liabilities, costs, claims and expenses which arise from the non-payment or the delayed payment of any taxes specified under (B) above, except for those penalties and interest charges which are attributable to the gross negligence of the Issuer, and (D) any additional amounts corresponding to sums which the Seller is required to deduct or withhold for or on account of tax with respect to all payments made by the Seller to the Issuer under the Receivables Purchase Agreement, in each case paid by the Seller pursuant to the Receivables Purchase Agreement, and (ii) any taxes, increased costs and other amounts, in each case, paid by the Seller to the Issuer pursuant to the Receivables Purchase Agreement (other than any Transaction Cost Fee) and any taxes, increased costs and other amounts paid by the Servicer to the Issuer pursuant to the Servicing Agreement, in each case as collected during such Collection Period;
4. (i)(A) any default interest on unpaid sums due by the Seller to the Issuer and (B) indemnities against any loss or expense, including legal fees, incurred by the Issuer as a consequence of any default of the Seller, in each case paid by the Seller to the Issuer pursuant to the Receivables Purchase Agreement and (ii) any default interest and indemnities paid by the Servicer to the Issuer pursuant to the Servicing Agreement, in each case as collected during such Collection Period;
5. any other amounts paid by the Seller to the Issuer under or with respect to the Receivables Purchase Agreement (other than any Transaction Cost Fee) or the Purchased Receivables or the Related Collateral and any other amounts paid by the Servicer to the Issuer under or with respect to the Servicing Agreement, the Purchased Receivables or the Related Collateral, in each case as collected during such Collection Period;

6. any interest earned (if any) on any balance credited to the Transaction Account during such Collection Period;
7. the amounts (if any) standing to the credit of the Commingling Reserve Account (excluding, for the avoidance of doubt, any interest earned on any balance credited to the Commingling Reserve Account), but only to the extent necessary for the fulfilment on the relevant Payment Date of the payment obligations of the Issuer under items *first to fourteenth* (inclusive) of the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Seller in its capacity as Servicer under item *fifth* of the Pre-Enforcement Priority of Payments), provided, however, that such amounts shall only be included in the Available Distribution Amount if and to the extent that the Seller or (if different) the Servicer have, as of the relevant Payment Date, failed to transfer to the Issuer any Collections (other than Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections) received or payable by the Seller or (if different) the Servicer (x) during, or with respect to, the Collection Period ending on the Cut-Off Date immediately preceding the relevant Payment Date, (y) during, or with respect to, previous Collection Periods for which the relevant amounts have not been included in the Available Distribution Amount previously or (z) if the Servicer is either overindebted (*überschuldet*) or unable to pay its debts (*zahlungsunfähig*) or the inability of the Servicer to pay its debts is imminent (*drohende Zahlungsunfähigkeit*) or if any measures under Section 21 of the German Insolvency Code or under Sections 45, 46 or 46b of the German Banking Act (*Gesetz über das Kreditwesen*) are taken in respect of the Servicer;
8. the amounts (if any) standing to the credit of the Set-Off Reserve Account (excluding, for the avoidance of doubt, any interest earned on any balance credited to the Set-Off Reserve Account), but only to the extent necessary for the fulfilment on the relevant Payment Date of the payment obligations of the Issuer under items *first to fourteenth* (inclusive) of the Pre- Enforcement Priority of Payments (but excluding any fees and other amounts due to the Seller in its capacity as Servicer under item *fifth* of the Pre-Enforcement Priority of Payments), provided, however, that such amounts shall only be included in the Available Distribution Amount if and to the extent that (i) any amounts that would otherwise have to be transferred to the Issuer as Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections for the Collection Period ending on the relevant Cut-Off Date, or with respect to previous Collection Periods for which the relevant amounts have not been included in the Available Distribution Amount previously, were not received by the Issuer as a result of any of the actions described in item (B)(i) of the definition of Deemed Collections, and (ii) the Issuer does not have a right of set-off against the Seller or (if different) the Servicer with respect to such amounts on the relevant Payment Date;
9. the amounts (if any) standing to the credit of the Purchase Shortfall Account (including interest earned (if any) thereon);

10. the amounts (if any) standing to the credit of the Transaction Account which would have been distributed as Available Distribution Amount on any Payment Date prior to such Cut- Off Date, but were not distributed due to such Payment Date falling on a Servicer Disruption Date or the prior occurrence of a Termination Event; and
11. any amount (other than covered by (1) through (9) above) (if any)) paid to the Issuer by any other party to any Transaction Document (other than the Funding Loan Agreement) up to (and including) the Payment Date immediately following such Cut- Off Date, unless otherwise specified, which according to such Transaction Document is to be allocated to the Available Distribution Amount.

Pre-Enforcement Priority of Payments

On each Payment Date prior to the occurrence of an Issuer Event of Default, the Available Distribution Amount as of the Cut-Off Date immediately preceding such Payment Date will be applied in accordance with the following order of priorities:

first, to pay any obligation of the Issuer which is due and payable with respect to corporation and trade tax under any applicable law (if any);

second, to pay any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), expenses and other amounts due and payable to the Transaction Security Trustee under the Transaction Documents;

third, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), expenses and other amounts due and payable to the Corporate Administrator under the Corporate Administration Agreement, the Data Trustee under the Data Trust Agreement, and the Account Bank under the Accounts Agreement, any amounts due and payable by the Issuer in connection with the establishment of the Issuer, and any other amounts due and payable or which are expected to fall due and payable by the Issuer in connection with the liquidation or dissolution (if applicable) of the Issuer or any other fees, costs and expenses, and a reserved profit of the Issuer of up to EUR 500 annually;

fourth, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the legal advisers or auditors of the Issuer, the Rating Agencies (including any ongoing monitoring fees), the Principal Paying Agent, the Cash Administrator and the Calculation Agent, under the Agency Agreement, the Manager under the Subscription Agreement (excluding any commissions and concessions which are payable to the Manager under the Subscription Agreement on the Note Issuance Date and which are to be paid by the Issuer by applying the funds disbursed to it under the Funding Loan), the relevant stock exchange on which the Notes may be listed, any listing agent, any intermediary between the Issuer, the Noteholders and the relevant stock exchange, the Common Safekeepers and any other relevant party with respect to the issue of the Notes;

fifth, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the Servicer under the Servicing Agreement or otherwise, and any such amounts due and payable to any substitute servicer or back-up servicer (including any expenses, costs and fees incurred in the course of replacement) for the Purchased Receivables and the Related Collateral which may be appointed from time to time in accordance with the Receivables Purchase Agreement or the Servicing Agreement and any such costs and expenses incurred by the Issuer itself in the event that the Issuer collects and/or services the Purchased Receivables or the Related Collateral;

sixth, to pay Class A Notes Interest due and payable on such Payment Date *pro rata* on each Class A Note;

seventh, if no Principal Deficiency Trigger Event has occurred, to pay Class B Notes Interest due and payable on such Payment Date *pro rata* on each Class B Note;

eighth, during the Replenishment Period, to pay the purchase price payable in accordance with the Receivables Purchase Agreement for any Additional Receivables purchased on such Payment Date, but only up to the Replenishment Available Amount;

ninth, during the Replenishment Period, to credit the Purchase Shortfall Account with the Purchase Shortfall Amount occurring on such Payment Date;

tenth, during the Replenishment Period, to credit the Reserve Fund with effect as from such Payment Date up to the Required Reserve Amount;

eleventh, after the expiration of the Replenishment Period and unless the Payment Date falls on a Servicer Disruption Date, to credit to the Reserve Fund with effect as from such Payment Date up to the Required Reserve Amount;

twelfth, after the expiration of the Replenishment Period, to pay any Class A Notes Principal as of such Cut-Off Date, *pro rata* on each Class A Note, but only until the Class A Principal Amount following such payment is equal to the Class A Target Principal Amount;

thirteenth, upon the occurrence of a Principal Deficiency Trigger Event, to pay Class B Notes Interest due and payable on such Payment Date *pro rata* on each Class B Note;

fourteenth, after the expiration of the Replenishment Period and after the Class A Notes have been redeemed in full, to pay any Class B Notes Principal as of such Cut-Off Date, *pro rata* on each Class B Note, but only until the Class B Principal Amount following such payment is equal to the Class B Target Principal Amount;

fifteenth, unless the Payment Date falls on a Servicer Disruption Date, after a Commingling Reserve Trigger Event has occurred, to credit to the Commingling Reserve Account with effect as from such Payment Date up to the amount of the Commingling Reserve Amount as of such Cut-Off Date;

sixteenth, unless the Payment Date falls on a Servicer Disruption Date after a Set-Off Reserve Trigger Event has occurred, to credit to the Set- Off Reserve Account with effect as from such Payment Date up to the amount of the Set-Off Reserve Amount as of such Cut-Off Date;

seventeenth, unless the Payment Date falls on a Servicer Disruption Date, to pay first, interest (including accrued interest) due and payable under the Subordinated Loan Agreement and thereafter, outstanding principal under the Subordinated Loan Agreement in the event of any reduction of the Required Reserve Amount in accordance with the provisions of the Receivables Purchase Agreement, in an amount (if any) which is equal to the difference between the Required Reserve Amount as of the Cut-Off Date immediately preceding such Cut-Off Date and the Required Reserve Amount as of such Cut-Off Date, but in no event more than the difference between the actual credit then standing to the Reserve Fund as of such Cut-Off Date and the Required Reserve Amount as of such Cut-Off Date (and if such difference is negative, it shall be deemed to be zero);

eighteenth, unless the Payment Date falls on a Servicer Disruption Date, to pay any amounts owed by the Issuer to the Seller due and payable under the Receivables Purchase Agreement in respect of (i) any valid return of a direct debit (*Lastschriftrückbelastung*) (to the extent such returns do not reduce the Collections for the Collection Period ending on such Cut-Off Date), (ii) any tax credit, relief, remission or repayment received by the Issuer on account of any tax or additional amount paid by the Seller or (iii) any Deemed Collection paid by the Seller for a Disputed Receivable which proves subsequently with *res judicata* (*rechtskräftig festgestellt*) to be an enforceable Purchased Receivable, or otherwise (including, for the avoidance of doubt, any claims of the Seller against the Issuer for breach of obligation) under the Receivables Purchase Agreement or other Transaction Documents; and

nineteenth, unless the Payment Date falls on a Servicer Disruption Date, to pay, prior to the occurrence of a Termination Event, any remaining amount to the Seller in accordance with the Receivables Purchase Agreement,

provided that any payment to be made by the Issuer under items *first* to *fifth* (inclusive) with respect to taxes shall be made on the Business Day on which such payment is then due and payable using any amounts then credited to the Transaction Account and, if applicable, the Commingling Reserve Account, and, if applicable, the Set-Off Reserve Account.

Termination Event

A "**Termination Event**" occurs when

- (1) the Seller fails to make a payment due under the Receivables Purchase Agreement at the latest on the fifth (5th) Business Day after its due date, or, in the event no due date has been determined, within five (5) Business Days after the demand for payment, where such aggregate amount due is at least EUR 50,000;
- (2) the Seller fails within five (5) Business Days to perform its material (as determined by the Issuer) obligations (other than those referred to in (1) above) owed to the Issuer under the Receivables Purchase Agreement after its due date, or, in the event no due date has been

determined, within five (5) Business Days after the demand for performance;

- (3) any of the representations and warranties made by the Seller, with respect to or under the Receivables Purchase Agreement or information transmitted is materially inaccurate or incorrect, unless such inaccuracy or incorrectness, insofar as it relates to Purchased Receivables, Related Collateral, or the Loan Contracts, has been remedied by the tenth (10th) Business Day (inclusive) after the Seller has become aware that such representations or warranties were inaccurate or incorrect;
- (4) the Seller is overindebted (*überschuldet*), unable to pay its debts when they fall due (*zahlungsunfähig*) or such status is imminent (*drohende Zahlungsunfähigkeit*) or intends to propose the institution of insolvency (including preliminary insolvency proceedings) or reorganisation proceedings or is subject to insolvency (including preliminary insolvency proceedings) or dissolution proceedings and the Seller fails to remedy such status within twenty (20) Business Days;
- (5) the Seller is in default with respect to any Material Payment Obligations owed to any third parties for a period of more than five (5) calendar days; "**Material Payment Obligation**" means a payment due and payable in the amount of or in excess of EUR 10,000,000 (ten million euro);
- (6) the banking licence of the Seller is revoked, restricted or made subject to any conditions or any of the proceedings referred to in or any action under Sections 45, 46 and 46b of the German Banking Act (*Gesetz über das Kreditwesen*) have been taken with respect to the Seller;
- (7) the Seller fails to perform any material obligation under the Loan Contracts or in relation to the Related Collateral;
- (8) an Issuer Event of Default has occurred; or
- (9) a material adverse change in the business or financial conditions of the Seller has occurred which materially affects its ability to perform its obligations under the Receivables Purchase Agreement.

Issuer Event of Default

An "**Issuer Event of Default**" occurs when:

- (i) the Issuer becomes overindebted (*überschuldet*) or is unable to pay its debts as they fall due (*zahlungsunfähig*) or the inability of the Issuer to pay its debts as they fall due is imminent (*drohende Zahlungsunfähigkeit*) or measures under Section 21 of the German Insolvency Code (*Insolvenzordnung*) are taken with respect to the Issuer or the Issuer initiates or otherwise becomes subject to liquidation, insolvency, or similar proceedings under any applicable law, which affect or prejudice the performance of its obligations under the Notes or the other Transaction Documents, and are not, in the opinion of the Transaction Security Trustee, being disputed in good faith with a reasonable prospect of discontinuing or discharging the

same, or such proceedings are not instituted for lack of assets;

- (ii) the Issuer defaults in the payment of any interest due and payable in respect of any Class A Note and such default continues for a period of at least five (5) Business Days;
- (iii) the Issuer defaults in the payment of any interest or principal due and payable in respect of any Note or in the due payment or performance of any other Transaction Secured Obligation (as such term is defined in Clause 7 (*Security Purpose*) of the Transaction Security Agreement), other than those mentioned under items *sixteenth* to *nineteenth* of the Pre-Enforcement Priority of Payments, in each case, to the extent that the Available Distribution Amount as of the Cut-Off Date immediately preceding the relevant Payment Date would have been sufficient to pay such amounts, and such default continues for a period of at least five (5) Business Days;
- (iv) a distress, execution, attachment or other legal process is levied or enforced upon or sued out against all or any substantial part of the assets of the Issuer and is not discharged or does not otherwise cease to apply within thirty (30) calendar days of being levied, enforced or sued out or legal proceedings are commenced for any of the aforesaid, or the Issuer makes a conveyance or assignment for the benefit of its creditors generally; or
- (v) the Transaction Security Trustee ceases to have a valid and enforceable security interest in any of the Note Collateral or any other security interest created under any Transaction Security Document.

Upon the occurrence of an Issuer Event of Default, the full Class Principal Amount of each Class of Notes shall become due and payable in accordance with the Post-Enforcement Order of Priority.

Post-Enforcement Priority of Payments

Upon the occurrence of an Issuer Event of Default, on any Payment Date any Credit (which excludes certain amounts stated in Clause 24.1 of the Transaction Security Agreement) will be applied in the following order towards fulfilling the payment obligations of the Issuer, in each case only to the extent payments of a higher priority have been made in full:

first, to pay any obligation of the Issuer with respect to corporation and trade tax under any applicable law (if any) which is due and payable;

second, to pay any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), expenses and other amounts due and payable to the Transaction Security Trustee under the Transaction Documents;

third, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the Corporate Administrator under the Corporate Administration Agreement, the Data Trustee under the Data Trust Agreement and the Account Bank under the Accounts Agreement, any amounts due by the Issuer in connection with the establishment of the Issuer, and any other

amounts due and payable or which are expected to fall due and payable by the Issuer in connection with the liquidation or dissolution (if applicable) of the Issuer or any other fees, costs and expenses;

fourth, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to legal advisers or auditors of the Issuer, the Rating Agencies (including any ongoing monitoring fees), the Principal Paying Agent, the Cash Administrator and the Calculation Agent under the Agency Agreement, the relevant stock exchange on which the Notes may be listed, any listing agent, any intermediary between the Issuer, the Noteholders and the relevant stock exchange, the Common Safekeepers and any other relevant party with respect to the issue of the Notes;

fifth, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the Servicer under the Servicing Agreement or otherwise, and any such amounts due to any substitute servicer or back-up servicer (including any expenses, costs and fees incurred in the course of replacement) for the Purchased Receivables and the Related Collateral which may be appointed from time to time in accordance with the Receivables Purchase Agreement or the Servicing Agreement and any such costs and expenses incurred by the Issuer itself in the event that the Issuer collects and/or services the Purchased Receivables or the Related Collateral;

sixth, to pay Class A Notes Interest due and payable on such Payment Date, *pro rata* on each Class A Note;

seventh, to pay any Class A Notes Principal as of such Payment Date, *pro rata* on each Class A Note until the Class A Notes have been redeemed in full;

eighth, to pay Class B Notes Interest due and payable on such Payment Date, *pro rata* on each Class B Note;

ninth, to pay any Class B Notes Principal as of such Payment Date, *pro rata* on each Class B Note until the Class B Notes have been redeemed in full;

tenth, to pay interest (including accrued interest) due and payable under the Subordinated Loan Agreement;

eleventh, to pay any amounts owed by the Issuer to the Seller due and payable under the Receivables Purchase Agreement in respect of (i) any valid return of a direct debit (*Lastschriftückbelastung*) (to the extent such returns do not reduce the Collections for the Collection Period ending on the Cut-Off Date immediately preceding such Payment Date), (ii) any tax credit, relief, remission or repayment received by the Issuer on account of any tax or additional amount paid by the Seller or (iii) any Deemed Collection paid by the Seller for a Disputed Receivable which proves subsequently with *res judicata* (*rechtskräftig festgestellt*) to be an enforceable Purchased Receivable, or otherwise (including, for the avoidance of doubt, any claims of the Seller against the Issuer for breach of obligation) under the Receivables Purchase Agreement or other Transaction Documents;

twelfth, to repay outstanding principal due and payable under the Subordinated Loan Agreement; and

thirteenth, to pay any remaining amount to the Seller,

provided that any payment to be made by the Issuer under items *first* to *fifth* (inclusive) with respect to taxes shall be made on the Business Day on which such payment is then due and payable using the Credit.

Ratings	The Class A Notes are expected on issue to be assigned a long-term rating of A(sf) by Fitch, and a long-term rating of A(sf) by S&P. The Issuer has not requested a rating of the Class B Notes.
Approval, Listing and Admission to Trading	The <i>Commission de Surveillance du Secteur Financier</i> , as competent authority under the Prospectus Directive, has approved the prospectus for the purposes of the Prospectus Directive. By approving this prospectus the <i>Commission de Surveillance du Secteur Financier</i> assumes no responsibility as to the economic or financial soundness of this transaction or the quality and solvency of the Issuer. The Notes will be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange. The direct cost of the admission of the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange amounts to approximately EUR 12,600.
Clearing	Euroclear of 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and Clearstream Luxembourg of 42 Avenue J.F. Kennedy, 1855 Luxembourg, Luxembourg (together, the " Clearing Systems ", the " International Central Securities Depositaries " or the " ICSDs ").
Governing Law	The Notes will be governed by, and construed in accordance with, the laws of Germany.
Transaction Documents	The Receivables Purchase Agreement, the Servicing Agreement, the Transaction Security Agreement, the Subordinated Loan Agreement, the Corporate Administration Agreement, the Accounts Agreement, the Data Trust Agreement, the Funding Loan Agreement, the Notes, the Agency Agreement and any amendment agreement, termination agreement or replacement agreement relating to any such agreement. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS".

RISK FACTORS

The following is an overview of certain factors which prospective investors should consider before deciding to purchase the Notes. While the Issuer believes that the following statements describe the material risk factors inherent to the Notes and are up to date as of the date of this Prospectus, the following statements are not exhaustive; prospective investors are requested to consider all the information in this Prospectus, make such other enquiries and investigations as they consider appropriate and reach their own views prior to making any investment decisions.

The Notes will be solely contractual obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any of the Seller, the Servicer (if different), the Transaction Security Trustee, the Data Trustee, the Principal Paying Agent, the Calculation Agent, the Cash Administrator, the Account Bank, the Manager, the Arranger, the Luxembourg Listing Agent, the Luxembourg Intermediary, the Common Safekeepers, the Subordinated Loan Provider, the Funding Loan Provider or any of their respective affiliates or any affiliate of the Issuer or any other party (other than the Issuer) to the Transaction Documents or any other third person or entity other than the Issuer.

Furthermore, no person other than the Issuer will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

The Issuer

Credit Aspects of the Transaction and other considerations relating to the Notes

Liability under the Notes, Limited Recourse

The Notes represent obligations of the Issuer only, and do not represent obligations of, and are not guaranteed by, any other person or entity. In particular, the Notes do not represent obligations of, and will not be guaranteed by, any of the Seller, the Servicer (if different), the Transaction Security Trustee, the Data Trustee, the Principal Paying Agent, the Calculation Agent, the Cash Administrator, the Account Bank, the Manager, the Arranger, the Luxembourg Listing Agent, the Luxembourg Intermediary, the Common Safekeepers, the Subordinated Loan Provider, the Funding Loan Provider or any of their respective affiliates or any affiliate of the Issuer or any other party (other than the Issuer) to the Transaction Documents or any other third person or entity other than the Issuer. No person other than the Issuer will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

Prior to the occurrence of an Issuer Event of Default, all payment obligations of the Issuer under the Notes constitute exclusive obligations to pay out on each Payment Date the Available Distribution Amount determined as of the Cut-Off Date immediately preceding such Payment Date in accordance with the Pre-Enforcement Priority of Payments. Upon the occurrence of an Issuer Event of Default, all payment obligations of the Issuer under the Notes constitute exclusive obligations to pay out the credit standing to the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account (excluding certain amounts stated in Clause 24.1 of the Transaction Security Agreement) and the proceeds of the Note Collateral in accordance with the Post-Enforcement Priority of Payments. If, following enforcement of the Note Collateral, the proceeds of such enforcement prove ultimately insufficient, after payment of all claims ranking in priority to amounts due under the Notes, to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes, any shortfall arising will be extinguished and the Noteholders will neither have any further claim against the Issuer in respect of any such amounts nor have recourse to any other person for the loss sustained. The enforcement of the Note Collateral by the Transaction Security Trustee is the only remedy available to the Noteholders for the purpose of recovering amounts payable in respect of the Notes. Such assets and proceeds will be deemed to be "ultimately insufficient" at such time as no further assets of the Issuer are available and no further proceeds can be realised therefrom to satisfy any outstanding claim of the Noteholders, and neither assets nor proceeds will be so available thereafter.

None of the Noteholders, the Transaction Security Trustee nor the other Beneficiaries (nor any other person acting on behalf of any of them) shall be entitled, until the expiration of two years and one day after all outstanding amounts under the last maturing Note issued by the Issuer have been paid in full, to take any corporate action or other steps or legal proceedings for the winding-up, administration, examinership, dissolution or re-organisation or for the appointment of a receiver, administrator, examiner, administrative receiver, trustee in bankruptcy, liquidator, sequestrator or similar officer regarding some or all of the revenues and assets of the Issuer or have any right to take any steps for the purpose of obtaining payment (other than through the enforcement of the Note Collateral) of any amounts payable to it under the Transaction Documents by the Issuer (including, for the avoidance of doubt, any payment obligation arising from false representations under the Transaction Security Agreement) and shall not until such time take any steps to recover any debts or liabilities of any nature whatsoever owing to it by the Issuer.

There is no specific statutory or judicial authority in German law on the validity of non-petition clauses. It cannot be excluded that a German court might hold that any of the non-petition clauses in the German law-governed Transaction Documents is void in cases where the Issuer intentionally breaches its duties or intentionally does not fulfil its respective obligations under such documents. The foregoing would apply to other restrictions of liability of the Issuer as well. In individual cases, German courts held that a non-petition clause in a lease agreement preventing the lessee from initiating court proceedings against the lessor was void as it violated *bonos mores* and that the parties to a contract may only waive their respective right to take legal action in advance to a certain specified extent, but not entirely, because the right to take legal action is a core principle of the German legal system. However, this Issuer has been advised that these rulings are based on the particularities of the respective cases and, therefore, should not give rise to the conclusion that non-petition clauses are generally void under German law. Additionally, because under German law a party is generally free to waive its claim against another party in advance, a partial waiver, in the sense that the party waives only its rights to enforce its claims, should a *fortiori* be valid.

Non-Existence of Purchased Receivables

The Issuer retains the right to bring indemnification claims against the Seller but no other person against the risk that the Purchased Receivables do not exist or cease to exist without encumbrance (*Bestands- und Veritätshaftung*) in accordance with the Receivables Purchase Agreement. If the Loan Contract relating to a Purchased Receivable proves not to have been legally valid as of the Purchase Date, the Seller will pay to the Issuer a Deemed Collection in an amount equal to the Outstanding Principal Amount of such Purchased Receivable (or the affected portion thereof) pursuant to the Receivables Purchase Agreement.

The same applies if a Debtor uses its right of withdrawal (*Widerrufsrecht*). Such withdrawals are legally possible even after the expiry of the regular two week time period for withdrawals if the instruction of withdrawal (*Widerrufsbelehrung*) used by the Seller or the counterparty of a linked contract within the meaning of Section 358 of the German Civil Code (*Bürgerliches Gesetzbuch*) does not comply with legal requirements. The legal requirements applicable to instructions in respect of withdrawal rights are under constant review of the German courts. See "Risk Factors — German Consumer Loan Legislation".

Limited Resources of the Issuer

The Issuer is a special purpose financing entity with no business operations other than the issue of the Notes and the purchase and financing of the Purchased Receivables. Therefore, the ability of the Issuer to meet its obligations under the Notes will depend, *inter alia*, upon receipt of:

- payments of principal and interest and certain other payments received as Collections under the Purchased Receivables pursuant to the Servicing Agreement and the Receivables Purchase Agreement;
- Deemed Collections (if due) from the Seller;
- interest earned on the amounts credited to the Transaction Account and the Purchase Shortfall Account;

- amounts paid by any third party as purchase prices for Defaulted Receivables and any relevant Related Collateral;
- payments (if any) under the other Transaction Documents (other than the Funding Loan Agreement) in accordance with the terms thereof (excluding the Transaction Cost Fee).

Other than the foregoing, the Issuer will have no funds available to meet its obligations under the Notes.

The Notes

Early Redemption of the Notes and Effect on Yield

The yield to maturity of any Note of each Class will depend on, *inter alia*, the amount and timing of payment of principal and interest on the Purchased Receivables and the price paid by the Noteholder for such Note.

As at the Note Issuance Date, the Replenishment Period will commence on (but excluding) the Note Issuance Date and end on (i) the Payment Date falling in the 36th month after the Note Issuance Date (inclusive) or, if earlier, (ii) the date on which an Early Amortisation Event occurs (exclusive). Following the expiration of the Replenishment Period, the Notes will be subject to redemption (subject to the applicable Class Target Principal Amount) in accordance with the Pre-Enforcement Priority of Payment.

On any Payment Date on which the Aggregate Outstanding Principal Amount has been reduced to less than 10% of the Aggregate Outstanding Note Principal Amount as of the Note Issuance Date, the Seller may, subject to certain conditions, repurchase all Purchased Receivables (together with any Related Collateral) which have not been sold to a third party and the proceeds from such repurchase shall constitute Collections and the payments of interest and principal in accordance with the Pre-Enforcement Priority of Payment on such Payment Date will lead to an early redemption of the Notes (see 7.5 (*Early Redemption*) of the Terms and Conditions of the Notes). This may adversely affect the yield on each Class of Notes.

In addition, the Issuer may, subject to certain conditions, redeem all of the Notes if under applicable law the Issuer is required to make a deduction or withholding for or on account of tax (see Condition 7.6 (*Optional Redemption for Taxation Reasons*) of the Terms and Conditions of the Notes). This may adversely affect the yield on each Class of Notes.

Non-availability of Subordinated Loan

After the Note Issuance Date, the Issuer will not be entitled to any further drawings under the Subordinated Loan to fill or re-fill the Reserve Fund up to the Required Reserve Amount or otherwise to make payments in respect of principal or interest on the Notes. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Subordinated Loan Agreement".

Conflicts of Interest

Santander Consumer Bank AG is acting in a number of capacities in connection with this transaction. Santander Consumer Bank AG will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. Santander Consumer Bank AG, in its various capacities in connection with this transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account therefor in connection with this transaction.

The Bank of New York Mellon, London Branch, being affiliated with the Luxembourg Listing Agent, the Luxembourg Intermediary and the Account Bank, is acting in a number of capacities in connection with this transaction. The Bank of New York Mellon, London Branch, will have only those duties and responsibilities

expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. The Bank of New York Mellon, London Branch, in its various capacities in connection with this transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account therefor in connection with this transaction.

SFM Trustees Limited, being affiliated with the Corporate Administrator and the Data Trustee, is acting in a number of capacities in connection with this transaction. SFM Trustees Limited will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. SFM Trustees Limited, in its various capacities in connection with this transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account therefor in connection with this transaction.

The Servicer may hold and/or service claims against the Debtors with respect to receivables other than the Purchased Receivables. The interests or obligations of the Servicer in its respective capacities with respect to such other claims may in certain aspects conflict with the interests of the Noteholders.

The Transaction Security Trustee, the Data Trustee, the Manager, the Principal Paying Agent, the Cash Administrator, the Calculation Agent, the Luxembourg Listing Agent and Luxembourg Intermediary, the Account Bank, the Funding Loan Provider, the Subordinated Loan Provider and the Arranger may engage in commercial relationships, in particular, hold assets in other securitisation transactions as security trustee, be lenders, provide investment banking and other financial services to the Debtors, the other parties to the Transaction Documents and other third parties. In such relationships the Data Trustee, the Transaction Security Trustee, the Manager, the Principal Paying Agent, the Cash Administrator, the Calculation Agent, the Luxembourg Listing Agent and Luxembourg Intermediary, the Account Bank, the Funding Loan Provider, the Subordinated Loan Provider and the Arranger are not obliged to take into account the interests of the Noteholders. Accordingly, conflicts of interest may arise in this transaction.

Ratings of the Class A Notes

Each rating assigned to the Class A Notes by any Rating Agency takes into consideration the structural and legal aspects associated with the Class A Notes and the underlying Purchased Receivables, the credit quality of the Portfolio, the extent to which the Debtors' payments under the Purchased Receivables are adequate to make the payments required under the Class A Notes as well as other relevant features of the structure, including, *inter alia*, the credit situation of the Account Bank, the Seller and the Servicer (if different). Each Rating Agency's rating reflects only the view of that Rating Agency. Each rating assigned by S&P and Fitch to the Class A Notes addresses the likelihood of full and timely payment to the Class A Noteholders of all payments of interest on the Class A Notes on each Payment Date and the ultimate payment of principal on the Legal Maturity Date and takes into consideration the characteristics of the Purchased Receivables and the structural, legal, tax and Issuer-related aspects associated with the Notes.

The Issuer has not requested any rating of the Class B Notes and the Issuer has not requested a rating of the Class A Notes by any rating agency other than the Rating Agencies. However, rating organisations may seek to rate the Class B Notes or rating organisations other than the Rating Agencies may seek to rate the Class A Notes and, if such "shadow ratings" or "unsolicited ratings" are low, in particular, in the case of the Class A Notes, lower than the comparable ratings assigned to the Class A Notes by the Rating Agencies, such shadow or unsolicited ratings could have an adverse effect on the value of any Class of Notes. Future events, including events affecting the Account Bank, the Seller and the Servicer (if different) could also have an adverse effect on the rating of any Class of Notes.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organisation. The ratings assigned to the Class A Notes should be evaluated independently from similar ratings on other types of securities. There is no assurance that the ratings will continue for any period of time or that they will not be lowered, reviewed, suspended or withdrawn by the Rating Agencies. In the event that the ratings initially assigned to the Class A Notes by the Rating Agencies are subsequently withdrawn or lowered for any reason (including, without limitation, any subsequent change of the rating methodologies and/or criteria applied by the relevant Rating Agency), no person or entity is obliged to provide any additional support or credit enhancement to the Notes.

Each of the Rating Agencies is established in the European Community. According to the press release of the European Securities Markets Authority (ESMA) dated 31 October 2011 and the list of registered and certified rating agencies ("**List of Registered CRA's**") published by the European Securities and Markets Authority (ESMA), Fitch and S&P have been registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended from time to time. The latest update of the List of Registered CRA's dated 12 December 2014 is available on the website of the European Securities and Markets Authority (ESMA) under www.esma.europa.eu/page/List-registered-and-certified-CRAs.

Resolutions of Noteholders

The Notes provide for resolutions of Noteholders to be passed by vote taken without meetings. Each Noteholder is subject to the risk of being outvoted. As resolutions properly adopted are binding on all Noteholders, certain rights of such Noteholder against the Issuer under the Terms and Conditions may be amended or reduced or even cancelled.

Noteholders' Representative

If the Noteholders appoint a Noteholders' representative by a majority resolution of the Noteholders, it is possible that a Noteholder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, such right passing to the Noteholders' Representative who is then exclusively responsible to claim and enforce the rights of all the Noteholders.

Absence of Secondary Market Liquidity and Market Value of Notes

Although application has been made to admit the Notes to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange, there is currently no secondary market for the Notes. Even if the Manager could establish a secondary market for the Notes, it is not obliged to do so and any market activity which existed in the past can be easily terminated at any time without prior notice. If there is no market activity (namely, bids and offers) by the Manager, it is unlikely that a liquid secondary market will be established. In view of these factors, there can be no assurance that a secondary market for the Notes will develop or that a market will develop for all Classes of Notes or, if it develops, that it will provide Noteholders with liquidity of investment, or that it will continue for the whole life of the Notes. Further, the secondary markets are currently experiencing severe disruptions resulting from reduced investor demand for asset-backed securities and increased investor yield requirements for those securities. As a result, the secondary market for asset-backed securities is experiencing extremely limited liquidity. These conditions may continue or worsen in the future. Limited liquidity in the secondary market for asset-backed securities has had a severe adverse effect on the market value of asset-backed securities. Limited liquidity in the secondary market may continue to have a severe adverse effect on the market value of asset-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. Consequently, any purchaser of the Notes must be prepared to hold such Notes for an indefinite period of time or until final redemption or maturity of such Notes. The market values of the Notes are likely to fluctuate. Any such fluctuation may be significant and could result in significant losses to investors in the Notes. In addition, the forced sale into the market of asset-backed securities held by structured investment vehicles, hedge funds,

issuers of collateralised debt obligations and other similar entities that are currently experiencing funding difficulties could adversely affect an investor's ability to sell, and/or the price an investor receives for, the Notes in the secondary market.

Eurosystem Eligibility

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as Class A Common Safekeeper and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem (the "**Eurosystem eligible collateral**") either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria set out in the Guideline of the European Central Bank of 20 September 2011 on monetary policy instruments and procedures of the Eurosystem (recast) (ECB/2011/14), as amended from time to time, and as supplemented by the temporary criteria for certain asset-backed securities contained in the Guideline of the European Central Bank of 20 March 2013 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9 (recast) (ECB/2013/4) and in the decision of the European Central Bank of 26 September 2013 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral (ECB/2013/36) (together, the "**Temporary Framework**"). In addition, the Issuer will use its best efforts to make loan level details available in such manner as may be required in the future to comply with the Eurosystem eligibility criteria, subject to applicable data protection laws.

In addition, on 15 December 2010 the Governing Council of the European Central Bank (the "**ECB**") has decided on the establishment of loan-by-loan information requirements for asset-backed securities ("**ABS**") in the Eurosystem collateral framework. The Auto Loan ABS template was published in May 2012 and was last updated in September 2013. The loan-by-loan information requirement for Auto Loan ABS applies since 1 January 2014 (with a nine-month transition period that ended on 30 September 2014). After the transition period newly issued Auto Loan ABSs must fully comply with those requirements as soon as the submission of loan-level data begins (i.e. from the point of issuance). If the Class A Notes do not satisfy the criteria specified by the European Central Bank, or if the Servicer fails to submit the required loan-level data, there is a risk that the Class A Notes will not qualify as Eurosystem eligible collateral. Neither the Issuer, the Manager nor the Arranger gives any representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue, or any or at all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem eligible collateral. Any prospective investor in the Class A Notes should consult its professional advisers with respect to whether or not the Class A Notes constitute Eurosystem eligible collateral at any point of time during the life of the Class A Notes.

Revisions to Basel III Framework, CRD IV and CCR I as well as CCR I requirements for Investor Institutions

The Basel Committee on Banking Supervision (the "**Committee**") published in July 2009 "Revisions to the Basel II market risk framework" and "Enhancements to the Basel II framework", which provide for a number of enhancements targeting each of the three Pillars "minimum capital requirements", "**supervisory review process**" and "**market discipline**" set-forth by the Committee in its June 2006 publication "Basel II: International Convergence of Capital Measurement and Capital Standards: A Revised Framework (Comprehensive Version)" (the "**Framework**"). In the EU, the Framework had been implemented on the basis of EU and national legislative measures.

In December 2010, the Committee published proposals for further changes to the Framework ("Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer"). The proposals include new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for institutions (such as credit institutions). These include, without limitation, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction

of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the liquidity coverage ratio and net stable funding ratio, respectively). The European Parliament and the Council adopted a new set of legislation to implement these amendments in the European Union. The relevant legislation encompasses a new directive, Directive 2013/36/EU ("**CRD IV**"), dated 26 June 2013, governing, amongst other things, the basic rules and requirements for the banking business and its supervision and a new regulation, Regulation 2013/575/EU ("**CRR I**"), dated 26 June 2013, containing detailed requirements regarding liquidity, capital base, leverage and counterparty credit risks. The directive had to be transposed into national law by each of the EU Member States in general by 31 December 2013, *provided that* certain provisions may be applied after that date. The regulation has direct binding effect in the EU Member States and applies since 1 January 2014 (subject to certain exceptions and transitional provisions).

The CRR I and the CRD IV as well as any implementing legislation or (as the case may be) the Framework and its amendments could affect the risk-based capital treatment of the Notes for investors which are subject to bank capital adequacy requirements under the CRR I and relevant national legislation implementing the CRD IV and/or requirements that follow or are based on the Framework.

In particular, the CRR I provides that where an institution (i.e. a credit institution or an investment firm within the meaning of CRR I) does not meet the requirements set out in Articles 405, 406 and 409 of the CRR I in any material respect by reason of the negligence or omission of the institution, the competent authorities shall impose a proportionate additional risk weight of no less than 250 % of the risk weight (the total risk weight being capped at 1250 %) to the relevant securitisation position. Such additional risk weight will progressively increase with each subsequent infringement of the due diligence provisions. Pursuant to Article 405 of the CRR I, an institution, other than when acting as an originator, a sponsor or original lender, may hold the credit risk of a securitisation position in its trading book or non-trading book only if the originator, sponsor or original lender has explicitly disclosed to the institution that it will retain, on an on-going basis, a material net economic interest which, in any event, will not be less than 5 per cent. Article 406 of the CRR I imposes certain due diligence requirements on investor institutions. Article 409 of the CRR I requires, *inter alia*, that prospective investors have readily available access to all materially relevant data on the credit quality and performance of the individual underlying exposures, cash flows and collateral supporting the securitisation exposure as well as such information that is necessary to conduct comprehensive and well informed stress tests on the cash flows and collateral values supporting the underlying exposures. Hence, the additional risk weight does not only apply in case of a relevant non-compliance with the due diligence obligations on the part of an institution investing in the Notes as set out in Article 406 of the CRR I. Also, non-compliance of the Seller with Articles 405 and 409 of the CRR I may result in such additional risk weights and hence negatively affect the price received for, and/or the ability of the Noteholders to sell the Notes in the secondary market. In particular, there is no assurance that any reference to the Seller's retention of net economic risk in this Prospectus constitutes sufficient disclosure by the Seller in view of adequately supporting the due diligence investigation on the part of the Noteholders for the purposes of Article 406 of the CRR I.

Consequently, prospective investors and Noteholders should consult their professional advisers as to the consequences to and effect on them of the application of the Framework and its amendments and any relevant implementing measures. No predictions can be made as to, and the Issuer is not responsible for informing the prospective investors and Noteholders of, the effects of the changes to risk-weighting as a result of implementation of the Framework and its amendments.

It is reasonable to expect further amendments to the Framework, the CRD IV and the CRR I in the near and medium term future, and there is no assurance that the regulatory capital treatment of the Notes for investors will not be affected by any future change to the Framework, the CRD IV or the CRR I. In particular, in December 2012 the Committee has issued a consultative document regarding "**Revisions of the Basel Securitisation Framework**". The proposed revisions seek to make, *inter alia*, capital requirements with respect to securitisation exposures more prudent and risk sensitive and at the same time serve to reduce mechanic reliance on external credit ratings. The proposals include, amongst other things, (i) a revised hierarchy of approaches of risk evaluation and capital assignment applicable to certain types of securitisation exposures, (ii)

revised ratings- based approach and modified supervisory formula approach incorporating additional risk drivers (such as maturity), which are intended to create a more risk-sensitive and prudent calibration, and (iii) new approaches, such as a simplified supervisory approach and different applications of the concentration ratio based approach. The Committee has not yet published a rules text to effectuate the proposed changes and is currently seeking industry feedback on some key elements of the proposed changes. Further, the Committee will be conducting a quantitative impact study of the proposals prior to deciding on definitive revisions to the Framework. Thus, at this stage, it cannot be predicted which changes to the Framework will be effectuated, and whether and when such changes would be implemented into EU and national law.

Economic Conditions in the euro area

Concerns relating to credit risks (including that of sovereigns and those of entities which are exposed to sovereigns) have intensified over the past few years. In particular, concerns have been raised with respect to current economic, monetary and political conditions in the euro area. If such concerns persist and/or such conditions further deteriorate (including as may be demonstrated by any relevant credit rating agency action, any default or restructuring of indebtedness by one or more states or institutions and/or any changes to, including any break-up of, the euro area), then these matters may cause further severe stress in the financial system generally and/or may adversely affect one or more of the parties to the Transaction Documents (including the Seller and/or the Servicer) and/or any Debtor in respect of the Purchased Receivables. Given the current uncertainties and the range of possible outcomes, no assurance can be given as to the impact of any of the matters described above and, in particular, no assurance can be given that such matters would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Taxation in the Federal Republic of Germany

The following should be read in conjunction with "TAXATION IN GERMANY" below.

Corporate Income Tax

Business profits derived by the Issuer will be subject to German corporate income tax (*Körperschaftsteuer*) at a rate of 15% and solidarity surcharge (*Solidaritätszuschlag*) at a rate of 5.5% thereon, as the Issuer is a corporation with its statutory seat and its place of effective management and control in Germany. The aggregate rate of corporate income tax and solidarity surcharge thereon will amount to 15.825%.

The Issuer's business profits subject to tax will be determined on an accruals basis. Therefore, the Issuer's corporate income tax base will generally be calculated by deducting the interest payable on the Notes as well as any business expenses incurred by it, such as for instance fees, from its income derived from the Purchased Receivables. *Provided that*, as expected by the Issuer, the aggregate amount of the income received by the Issuer does not substantially exceed the aggregate amount of the business expenses incurred by the Issuer in a taxable period, the Issuer's corporate income tax base will be low or even zero and thus its corporate income tax liability will, as well, be low or even zero.

Without prejudice to this analysis, following the guidelines set forth in Accounting Principle IDW RS HFA 8 "Doubtful Cases in the Accounting of Asset Backed Securities Structures or Similar Transactions" (*Zweifelsfragen der Bilanzierung von asset-backed securities-Gestaltungen oder ähnlichen Transaktionen*) of the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland - "IDW"*), the acquisition of the Purchased Receivables by the Issuer from the Seller could be perceived, from an economic perspective, as the extension of a (secured) loan by the Issuer to the Seller. The view generally taken by the IDW was indirectly confirmed for German purposes by the German Federal Fiscal Court (*Bundesfinanzhof*). The court held in a decision dated 26 August 2010 (docket no. I R 17/09) that in respect of asset backed securities transactions the economic ownership (*wirtschaftliches Eigentum*) in receivables is not necessarily being transferred to the purchaser of the receivables. Instead, it generally remains with the seller if the credit risk (*Bonitätsrisiko*) has not been fully transferred to the purchaser. This was the case because the purchaser - in

determining the purchase price - took into account a discount that was significantly higher than the expected default ratio, but which was adjustable depending on the actual receipt of payments under the purchased receivables. The Issuer takes the view that this decision should not be applicable to the present transaction if the credit risk under the Purchased Receivables would be fully, effectively and definitely transferred to the Issuer. However, the Issuer cannot rule out that the tax authorities would take the view, based on the aforementioned decision of the German Federal Fiscal Court, that parts of the credit risk under the Purchased Receivables have not been fully, effectively and definitely transferred to the Issuer such that the acquisition of the Purchased Receivables has to be regarded as the extension of a (secured) loan from the Issuer to the Seller for German purposes. In this case the Issuer would receive interest income under a (secured) loan granted to the Seller rather than the actual interest payments on the Purchased Receivables owed by the Debtors. However, the payments on such a notional loan would depend on the respective Debtors under the Purchased Receivables actually paying interest on the Purchased Receivables. Therefore, even if the acquisition of the Purchased Receivables were indeed to be viewed as the extension of a (secured) loan, such recharacterisation should, in principle, not give rise to adverse corporate income tax consequences and the Issuer may still be expected to have a relatively low corporate income tax base.

There is a risk that German withholding tax (*Kapitalertragsteuer*) and solidarity surcharge thereon has to be withheld by the Seller on interest payments on a deemed loan as discussed above. This is based upon the consideration that the consideration for lender of a deemed loan resulting from a recharacterisation of the purchase of Receivables may be qualified as income from a profit participating loan (*partiarisches Darlehen*), a silent participation in the business of the Seller (*stille Beteiligung*) or another loan financing within the meaning of Sec. 20 para. 1 no. 4 sent. 1 or no. 7 sent. 1 of the German Income Tax Act (*Einkommensteuergesetz – “EStG”*). In this case the Seller as a domestic credit institution would be obliged to withhold German withholding tax on the paid consideration (Sec. 43 para. 1 sent. 1 no. 3 or no. 7 lit. b) sent. 1 in conjunction with Sec. 44 para. 1 sent. 3 or sent. 4 no. 2 EStG), unless a specific exemption would apply. Although the Issuer as a German tax resident corporation could generally treat such withholding tax as a prepayment of its German (corporate) income tax and solidarity surcharge liability and amounts over-withheld would generally entitle to a refund based on an assessment to tax, the Issuer might suffer a liquidity disadvantage.

The deductibility of interest expenses for German tax purposes may, under certain circumstances, be limited. As a general rule, pursuant to the interest stripping rules (*Zinsschranke*) net interest expenses (i.e. interest expenses exceeding the interest income) exceeding 30% of the Issuer's earnings as determined for German tax purposes (adjusted by interest expenses, interest income and certain depreciations) are not deductible. However, the interest stripping rules only apply if the net interest expenses equal or exceed EUR 3,000,000 in the relevant business year. The Issuer expects that its interest income received should at any time equal or even be higher than the interest expenses to be paid on the Notes. Consequently, the net balance of interest payments in any given business year should not be negative (or, at least, not be negative in an amount of EUR 3,000,000 or higher). Furthermore, even if - due to unusual circumstances - the net interest payments equaled or exceeded the aforementioned EUR 3,000,000 threshold in a given year, the interest stripping rules would not apply if the Issuer qualifies as a non consolidated entity for the purposes of the interest stripping rules. This would be the case if the Issuer is not and may not be included into consolidated statements of a group in accordance with the applicable (international, German or foreign) accounting standards. Pursuant to administrative guidance issued by the German Federal Ministry of Finance (*Bundesfinanzministerium*) on 4 July 2008 (docket no. IV C 7 – S 2742 – a/07/10001) special purpose vehicles which have to be consolidated in accordance with applicable accounting principles fall in principle under the scope of the interest stripping rules, whereas (according to the explanatory memorandum of the legislation) special purpose vehicles used in asset backed securities transactions are regarded as non consolidated entities for purposes of the interest stripping rules if the entity is exclusively consolidated because of economic considerations taking into account the allocation of benefits and risks. However, notwithstanding the existing uncertainties regarding the application of the aforementioned administrative guidance the Issuer takes the view that it should be eligible for the exemption provided for in the decree and that therefore the interest stripping rules should not apply to the Issuer even if its net interest payments actually equal or exceed the EUR 3,000,000 threshold in a given year. If, against such expectations, the interest stripping rules applied to the Issuer, the deductibility of interest payments would be limited in

accordance with the principles described above, and any interest payments that are not deductible in a given year would be carried forward and could generally be deducted in subsequent business years, subject to limitations similar to those applicable in the business year when the non-deductible interest item accrued.

Furthermore, the Issuer takes the view that it should not be required to take into account as income the proceeds from the issuance of the Notes under Sec. 5 para. 2a EStG. Under this rule, liabilities that are only repayable from future income (*Einnahmen*) or profits (*Gewinne*) can only be recognised as a liability for German tax accounting purposes once the income or profits have been realised. In this regard, the German Federal Fiscal Court held in its decision dated 30 November 2011 (docket no. I R 100/10) that the provision shall only apply in situations where the liability has to be exclusively paid from, and the obligation to repay is wholly dependent on, future income or profits of the obligor. According to this ruling, the existence of a subordination provision, where the liability has to be paid exclusively from future income or profits, is economically comparable to a waiver of debt subject to restitution (*Forderungsverzicht mit Besserungsschein*). Both the existence of a subordination provision as well as the waiver of debt subject to restitution do not result in a (present) economical burden for the obligor and, as such, no corresponding liability can be recorded. However, although the obligations of the Issuer under the Notes are subject to limited recourse provisions, the Issuer takes the view that Sec. 5 para. 2a EStG should not apply. This is based on the consideration that Sec. 5 para. 2a EStG was introduced to limit certain tax shelter structures that generated losses from the debt-financed production of an (intangible) asset where interest and principal on the debt were only to be repaid from future income derived from the asset and to overrule certain decisions of the German Federal Fiscal Court in which taxpayers had been allowed to record a liability that was only payable from the income derived from a (generally unrecorded) asset.

The purpose of the limited recourse provisions should be distinguished from these structures and situations in that they only prevent the relevant creditors of the Issuer from causing the Issuer to become insolvent when not making scheduled payments. In addition, the limited recourse provisions do not limit the payment of principal and interest on a particular obligation of the Issuer to the income or profits derived from a particular asset of the Issuer; according to the limited recourse wording in the terms and conditions of the Notes, amounts payable or expressed to be payable by the Issuer are limited to the proceeds from the Note Collateral and any other positive balance of net assets (*sonstiges freies Vermögen*). This means that the claims of the holders of the Notes which are subject to limited recourse are limited to the Issuer's assets generally rather than solely to its future income or profits. Therefore, to the extent that a creditor's claims subject to a limited recourse provision have to be repaid out of assets exceeding the obligor's other liabilities (rather than solely and exclusively out of future profits or income), this scenario should not fall within the scope of Sec. 5 para. 2a EStG (cf. also German Federal Ministry of Finance (*Bundesfinanzministerium*), circular dated 8 September 2006, docket no. IV B 2 - S 2133 - 10/06). Furthermore, the Issuer understands that the German tax authorities in the past did not apply the provisions of Sec. 5 para. 2a EStG in various German securitisation transactions.

Trade Tax

Since the activities of the Issuer qualify as a trade or business (*Gewerbebetrieb*) and the Issuer's statutory seat and place of effective management and control are in Germany, the Issuer will be subject to German trade tax. In principle, the taxpayer's corporate income tax base also constitutes the tax base for German trade tax purposes. However, as a general rule, for trade tax purposes, 25% of the interest payable by the Issuer will be "added-back" to the Issuer's tax base and, consequently, increase the trade tax burden of the Issuer, provided and to the extent the interest (i) is deductible under the interest stripping rules (*Zinsschranke*) and (ii) exceeds a threshold of EUR 100,000. This rule would, however, not be applicable if the Issuer benefits from an exception as provided for by Sec. 19 para. 3 no. 2 of the German Trade Tax Application Directive (*Gewerbesteuer-Durchführungsverordnung* - "**GewStDV**"). The exception applies where a business exclusively (i) acquires certain credit receivables (*Kredite*) or (ii) assumes certain credit risks (*Kreditrisiken*) pertaining to loans originated by credit institutions (*Kreditinstitute*) within the meaning of Sec. 1 of the German Banking Act (*Kreditwesengesetz* - "**KWVG**") and refinances by way of issuing debt instruments (*Schuldtitel*) in the case of (i) such acquisition of the acquired receivables and in the case of (ii) the provision of a security in respect of such assumption of credit risks. Pursuant to the Transaction Documents, the acquisition of the Purchased Receivables

relates to the Seller's banking business and, consequently, the Issuer acquires credit receivables (*Kredite*) within the meaning of Sec. 19 para. 3 no. 2 GewStDV. Furthermore, the Issuer issues the Notes as debt instruments in order to refinance the acquisition of the Purchased Receivables. Thus, the Issuer takes the view that the requirements for the application of Sec. 19 para. 3 no. 2 GewStDV should be fulfilled and, consequently, the 25% interest-add back for trade tax purposes should not apply. However, it cannot be ruled out that the exception under Sec. 19 para. 3 no. 2 GewStDV might not be regarded as applicable if the Seller was viewed as having retained economic ownership in the Purchased Receivables for German taxation purposes (cf. section "Corporate Income Tax" above). In such a case, the 25% interest-add back for trade tax purposes may apply.

Further, if, contrary to the Issuer's expectations, certain items cannot be deducted for corporate income tax purposes (as described under section "Corporate Income Tax" above) this would also increase the tax basis for trade tax purposes.

VAT

The acquisition of the Purchased Receivables and the issuance of the Notes (if regarded as supply of services for VAT (*Umsatzsteuer*) purposes) are VAT-exempt (*umsatzsteuerfreie*) transactions under the German Value Added Tax Act (*Umsatzsteuergesetz* - "**UStG**"). The same applies for any (deemed) granting of credit from the Issuer to the Seller for VAT purposes. Accordingly, the Issuer, being a taxable person (*Unternehmer*) for VAT purposes, (i) will not be required to charge VAT upon issuing the Notes and (ii) will not be entitled to deduct any input-VAT (*Vorsteuer*) on services rendered to it.

Pursuant to administrative guidance (cf. Sec. 2.4 of the Value Added Tax Application Ordinance (*Umsatzsteuer-Anwendungserlass* - "**UStAE**")) the acquisition of loan receivables is not considered like a factoring transaction for VAT purposes provided the acquirer does not assume the debt collection. Therefore, according to the UStAE, (i) neither the Issuer as purchaser of the Purchased Receivables nor (ii) the Seller acting in its capacity as Servicer of the Purchased Receivables will supply services which are subject to German VAT. If instead the Issuer (or a third party appointed by the Issuer) will become the Servicer of the Purchased Receivables, the Issuer would be considered as supplying factoring services to the Seller which are subject to German VAT. Consequently, the Issuer would be entitled to deduct input-VAT on related services rendered to it.

Furthermore, the Issuer could under certain circumstances be held secondarily liable for VAT owed and not paid by the Seller in respect of the Purchased Receivables pursuant to Sec. 13c UStG, provided that the Purchased Receivables result from the supply of goods or services by the Seller which is subject to German VAT and insofar the relevant receivables have been (or are deemed to be) collected by the Issuer. So far, the Seller of the Purchased Receivables has not opted for a waiver of VAT-exempt services rendered to the Debtors and, therefore, no VAT liability and consequently also no secondary liability should arise. A secondary liability might, however, arise if and to the extent that the Seller at a later point in time waives the exemption from VAT or the enforcement of a security granted by a Debtor to the Seller is considered for VAT purposes to be a taxable supply of goods provided by the Seller. However, pursuant to Sec. 13c.1 para. 27 UStAE, the purchaser of receivables in securitisation transactions should not be treated as having collected the purchased receivables if and to the extent that the purchaser paid a consideration for such receivables. Because the Issuer is obliged to pay a consideration reflecting market value of the Purchased Receivables to the Seller, the Issuer takes the view that the requirements under Sec. 13c.1 para. 27 UStAE would be fulfilled and, therefore, the Issuer could not be held secondarily liable for any VAT not paid by the Seller with regard to the Purchased Receivables. If, against the view of the issuer, the tax authorities will take a different view, there is a risk that the Issuer might be held liable for any VAT owed by the Seller up to the amount of currently 15.97% on the face value of the Purchased Receivables. According to the statutory language the Purchased Receivables are deemed to be collected by the Issuer in its full amount, because the Issuer will further assign the Purchased Receivables to a third party (cf. Sec. 13c para. 1 sent. 3 UStG).

Withholding Tax

The Issuer takes the view that German withholding tax (*Kapitalertragsteuer*) does not have to be withheld by the Issuer on payments of interest on the Notes. This is based upon the consideration that the Notes do neither qualify as profit participating loans (*partiarische Darlehen*) or profit participating notes (*Genussrechte*) nor constitute silent partnerships (*stille Gesellschaften*) within the meaning of Sec. 43 para. 1 no. 2 sent. 1 and no. 3 EStG. Pursuant to the terms and conditions of the Notes, payment of interest on the Notes is not contingent on the Issuer's profits. The Notes merely entitle their holders to certain interest payments and the mere fact that a holder of a debt instrument bears the credit risk of an issuer generally should not be sufficient to assume that such holder is provided with an effective participation in the issuer's profits. However, the German Federal Fiscal Court mentioned in its decision dated 22 June 2010 (docket no. I R 78/09) that the mere fact that an interest payment is deferred until the obligor has sufficient liquidity would give rise to a treatment of the loan as profit participating as, in such a case, the interest claim would only be fulfilled once the obligor has realised an operating profit. The Issuer takes, however, the view that the facts of the aforementioned court decision are significantly different compared to the terms and conditions of the Notes. Furthermore, it seems to be the practice of German tax authorities not to apply this court decision in similar securitization transactions. If, however, contrary to the view of the Issuer, the Notes were recharacterised as profit participating loans, profit participating notes or silent partnerships for German taxation purposes, the Issuer would have to withhold taxes in an amount of 26.375 % on interest payments under the Notes. Although a German tax resident Noteholder could generally treat such withholding tax as a prepayment of his German (corporate) income tax and solidarity surcharge liability and amounts over-withheld would generally entitle to a refund based on an assessment to tax, the Noteholder might suffer a liquidity disadvantage. For Noteholders who are non-German tax residents the possibility to obtain a tax credit or (partial) refund might be subject to additional requirements or, depending on applicable double tax treaties, not be given at all.

No application for a binding ruling

The Issuer has not applied for an advance binding ruling (*verbindliche Auskunft*) with the competent tax office to have the tax treatment of certain of the issues described in the preceding paragraphs confirmed. Therefore, the tax authorities did not review the structure of the transaction beforehand and have not confirmed by way of a binding statement the interpretation of the relevant tax law provisions as described in this Prospectus. Consequently, there is no certainty that the tax authorities will share this interpretation when it comes to assessing the tax liabilities of the Issuer. However, it is the view of the Issuer that the tax treatment of the transaction as described in this Prospectus corresponds to the taxation practice of the German tax authorities in similar cases. Consequently, although no advance binding ruling has been granted with regard to the transaction described in this Prospectus, it does not appear likely that the tax authorities will deviate from the interpretative views described herein. Nevertheless, the level of certainty with respect to the interpretation of the relevant tax law provisions is lower than it would have been had the Issuer received an advance binding ruling. In particular, the competent tax inspector or tax auditor in a future tax audit might deviate from the interpretative views taken herein which would not be possible if the Issuer had obtained an advance binding ruling (cf. Sec. 2 para. 1 of the Tax Ruling Ordinance - *Steuerauskunftsverordnung*).

Potential U.S. withholding tax after 31 December 2016

The United States has enacted rules, commonly referred to as "FATCA", that generally impose a new reporting and withholding regime with respect to certain U.S. source payments (including interest and dividends), gross proceeds from the disposition of property that can produce U.S. source interest and dividends and certain payments made by entities that are classified as financial institutions under FATCA. The United States has entered into an intergovernmental agreement regarding the implementation of FATCA with Germany (the "IGA"). Under the IGA, as currently drafted, the Issuer does not expect payments made on or with respect to the Notes to be subject to withholding under FATCA. However, significant aspects of when and how FATCA will apply remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Notes in the future. Prospective investors should consult their own tax advisors regarding the potential impact of FATCA.

No Gross-Up for Taxes

If required by law, any payments under the Notes will only be made after deduction of any applicable withholding taxes (including FATCA Withholdings) and other deductions. The Issuer will not be required to pay additional amounts in respect of any withholding or other deduction for or on account of any present or future taxes, duties or charges of whatever nature. see "TERMS AND CONDITIONS OF THE NOTES — Taxation". In such event, subject to certain conditions, the Issuer will be entitled (but will have no obligation) to redeem the Notes in whole but not in part at their then Aggregate Outstanding Note Principal Amount. see "TERMS AND CONDITIONS OF THE NOTES — Redemption — Optional Redemption for Taxation Reasons".

Exchange Controls

Except in limited embargo circumstances, there are no legal restrictions in Germany on international capital movements and foreign exchange transactions. However, for statistical purposes only, every individual or corporation residing in Germany must report to the German Central Bank (*Deutsche Bundesbank*), subject to certain exceptions, any payment received from or made to an individual or a corporation resident outside of Germany if such payment exceeds EUR 12,500 (or the equivalent in a foreign currency).

Legal Structure

No Right in Loan Contracts

The ownership of a Note does not confer any right to, or interest in, any Loan Contract or any right against any Debtor or any third party under or in connection with any Loan Contract or against the Seller or the Servicer.

Insolvency Law

Under German insolvency law, in insolvency proceedings of a debtor, a creditor who is secured by the assignment of receivables by way of security will have a preferential right to such receivables (*Absonderungsrecht*). Enforcement of such preferential right is subject to the provisions set forth in the German Insolvency Code (*Insolvenzordnung*).

In particular, the secured creditor may not enforce its security interest itself. Instead, the insolvency administrator appointed in respect of the estate of the debtor will be entitled to enforcement pursuant to Section 166 para. 2 of the German Insolvency Code. The insolvency administrator is obliged to transfer the proceeds from such enforcement to the creditor. However, the secured creditor has no control as to the timing of such procedure. In addition, the insolvency administrator may deduct from the enforcement proceeds fees which may amount to 4 % of the enforcement proceeds for assessing such preferential rights plus up to 5 % of the enforcement proceeds as compensation for the costs of enforcement. In case the enforcement costs are considerably higher than 5 % of the enforcement proceeds, the compensation for the enforcement costs may be higher.

Accordingly, the Issuer may have to share in the costs of any insolvency proceedings of the Seller in Germany, reducing the amount of money available upon enforcement of the Note Collateral to repay the Notes, if the sale and assignment of the Purchased Receivables by the Seller to the Issuer were to be regarded as a secured lending rather than a receivables sale.

The Issuer has been advised, however, that the transfer of the Purchased Receivables should be construed such that the risk of the insolvency of the Debtors lies with the Issuer and that, therefore, the Issuer would have the right to segregation (*Aussonderungsrecht*) of the Purchased Receivables from the estate of the Seller in the event of its insolvency and that, consequently, the cost sharing provisions described above would not apply with respect thereto.

Furthermore, even in the event that the sale and assignment of the Purchased Receivables were to be qualified as a secured loan, it is likely that the security granted to the Issuer would not be subject to an enforcement right of the insolvency administrator to the effect that the cost sharing provisions described above would not apply. This is based on the expectation that an assignment for security purposes in respect of the Purchased Receivables would qualify as "financial collateral" within the meaning of Article 1 (1) of Directive 2002/47/EC of the European Parliament and the Council of 6 June 2002 (as amended by Directive 2009/44/EC of the European Parliament and the Council of 6 May 2009) and Section 1 para. 17 of the German Banking Act and hence would benefit from the privileged treatment of financial collateral under the German Insolvency Code since pursuant to Section 166 para.3 no., "financial collateral" is not subject to the enforcement right of the insolvency administrator. The Receivables constitute credit claims within the meaning of Article 2 (1) no. (o) of the aforementioned directive because they originate from loans granted by the Seller which is a credit institution within the meaning of Article 4 (1) no. (a)(i) of Directive 2006/48/EC of the European Parliament and the Council of 14 June 2006. Consequently, their assignment for security purposes by the Seller to a legal entity, such as the Issuer, should satisfy the requirements of the provision of "financial collateral" within the meaning of the directive and statute referred to in the second sentence of this paragraph. .

However, a right of segregation (*Aussonderungsrecht*) will not apply with respect to the Related Collateral transferred to the Issuer, including the security interest created in respect of the Financed Vehicles relating to the Purchased Receivables if insolvency proceedings are instituted in respect of the relevant Debtor in Germany. In that case, the appointed insolvency administrator would be entitled to enforcement subject to and in accordance with Section 166 para. 1 of the German Insolvency Code (*Insolvenzordnung*) with the consequence of a cost sharing described above.

Insolvency-Related Termination Clauses (insolvenzabhängige Lösungsklauseln)

Certain Transaction Documents provide for a termination right in case that a party becomes insolvent. In German legal literature, it is disputed whether so-called insolvency-related termination clauses (insolvenzabhängige Lösungsklauseln) may be invalid or challengeable under German insolvency law.

In the context of termination clauses linked to the filing of a petition for the opening of insolvency proceedings, the Federal Court of Justice (*Bundesgerichtshof*) has ruled in a decision dated 15 November 2012 (IX ZR 169/11) (the "**Decision**") that a clause which provided for an automatic termination of an energy supply contract in the event of an application for the opening of insolvency proceedings of a contractual counterparty is invalid on the basis that such a clause deprives the insolvency administrator from its right to select whether to continue or discontinue a relevant contract. Since the Decision has been made in connection with a supply contract in the energy sector and in relation to an automatic termination (*auflösende Bedingung*), it could be argued that it may not apply to other agreements containing termination rights (*Kündigungsrechte*) or to the occurrence of a statutory reason to open insolvency proceedings. However, there is a risk that a court could interpret the Decision as a landmark decision of the Federal Court of Justice with regard to the ongoing dispute in relation to insolvency-related termination and expiration clauses (*insolvenzabhängige Lösungsklauseln*) such that the courts may apply the general principles set out in the Decision not only to automatic termination clauses or agreements made in the energy sector, but in relation to all termination rights and expiration clauses under any form of mutual contract which are linked to insolvency events, potentially also including statutory reasons to open insolvency proceedings.

Assignability of Purchased Receivables

As a general rule under German law, receivables are assignable unless their assignment is excluded either by mutual agreement or by the nature of the receivables to be assigned. Except as stated below under the heading "Banking Secrecy", there is no published court precedent of the German Federal Court of Justice (*Bundesgerichtshof*) or any German Higher Regional Court (*Oberlandesgericht*) confirming that receivables arising out of consumer loan contracts or other credit contracts are not assignable either generally or in a refinancing transaction or an asset-backed securitisation. Pursuant to the Receivables Purchase Agreement, the Seller has warranted to the Issuer that the Loan Contracts under which the Purchased Receivables have been

generated are based on certain standard forms. Such standard forms do not specifically prohibit the Seller from transferring its rights under the relevant Loan Contract to a third party for refinancing purposes. Pursuant to the Receivables Purchase Agreement, the Seller has warranted to the Issuer that the provisions of the Loan Contracts are valid. The Seller has also warranted to the Issuer in the Receivables Purchase Agreement that the assignment of the Purchased Receivables to the Issuer is not prohibited and valid.

Notice of Assignment; Set-off Risk

The assignment of the Purchased Receivables and the assignment and transfer of the Related Collateral may only be disclosed to the relevant Debtors at any time by the Issuer or through the Servicer in accordance with the Servicing Agreement or where the Seller agrees otherwise. Until the relevant Debtors have been notified of the assignment of the relevant Purchased Receivables, they may undertake payment with discharging effect to the Seller or enter into any other transaction with regard to such Purchased Receivables which will have binding effect on the Issuer and the Transaction Security Trustee. Each Debtor may further raise defences against the Issuer and the Transaction Security Trustee arising from its relationship with the Seller which are existing at the time of the assignment of the Purchased Receivables. Further, each Debtor is entitled to set-off against the Issuer and the Transaction Security Trustee its claims, if any, against the Seller unless such Debtor has knowledge of the assignment upon acquiring such claims or such claims become due only after the Debtor acquires such knowledge and after the relevant Purchased Receivables themselves become due. The Seller has warranted that it is not aware that any Debtor has asserted any lien, right of rescission, counterclaim, set-off, right to contest or defence against it in relation to any Loan Contract. In addition, the risk of any shortfall due to certain set-off rights on the part of the Debtor is mitigated by the undertaking of the Seller in the Receivables Purchase Agreement to pay to the Issuer (in its capacity as Purchaser) Deemed Collections in the amount equal to the affected portion of the Purchased Receivable if certain events occur with respect to such Purchased Receivable (see the definition of Deemed Collection in "CERTAIN DEFINITIONS — Deemed Collection"). In particular, if the amount owed by a Debtor is reduced due to set-off, the differential amount will constitute a Deemed Collection within the meaning of item (B)(i) of the definition of such term. Following the occurrence of a Set-Off Reserve Trigger Event, the risk of any shortfall due to certain set-off rights on the part of the Debtor and the Seller's inability to pay to the Issuer (in its capacity as Purchaser) the amount of Deemed Collection within the meaning of item (B)(i) of the definition of such term is further mitigated by the Set-Off Reserve Amount to be credited to the Set-Off Reserve Account. See "CREDIT STRUCTURE — Set-Off Reserve".

For the purpose of notification of the Debtors in respect of the assignment of the Purchased Receivables, the Issuer (or the Corporate Administrator on its behalf) or any back-up servicer or substitute servicer will require data which are in the possession of the Data Trustee. Under the Data Trust Agreement, the Issuer is entitled to request delivery of the required information from the Data Trustee under certain conditions if a Notification Event has occurred. However, the Issuer (or the Corporate Administrator on its behalf), any back-up servicer or substitute servicer (as applicable) might not be able to obtain such data in a timely manner as a result of which the notification of the Debtors may be considerably delayed. Until such notification has occurred, the Debtors may undertake payment with discharging effect to the Seller or enter into any other transaction with regard to the Purchased Receivables which will have binding effect on the Issuer and the Transaction Security Trustee.

Banking Secrecy

On 25 May 2004, the Higher Regional Court (*Oberlandesgericht*) in Frankfurt am Main rendered a ruling with respect to the enforcement of collateral securing non-performing loan receivables. In its ruling, the court took the view that the banking secrecy duties embedded in the banking relationship create an implied restriction on the assignability of loan receivables pursuant to Section 399 of the German Civil Code, if the loan agreement is not a business transaction (*Handelsgeschäft*) within the meaning of Section 343 of the German Commercial Code (*Handelsgesetzbuch*) for both the borrower and the bank (see "*Assignability of Purchased Receivables*" above). On 27 February 2007, the German Federal Court of Justice issued a ruling (docket no. XI ZR 195/05) confirming the traditional view that a breach of the banking secrecy duty by the bank does not render the sale and assignment invalid but may only give rise to defenses (including damage claims) against the assignor. The ruling relates to a mortgage loan agreement which included terms allowing for the assignment of the loan

receivables and collateral thereunder for refinancing purposes. However, notwithstanding those terms, the court held as a general matter that banking secrecy duties do not create an implied restriction on the assignability of loan receivables and that the German Federal Data Protection Act (*Bundesdatenschutzgesetz*) (see "*German Federal Data Protection Act (Bundesdatenschutzgesetz)*" below) does not constitute a statutory restriction on the assignability of loan receivables.

In addition, the Issuer has been advised that, while the aforementioned 2004 Frankfurt Higher Regional Court decision appeared to be based on the premise that an assignment of loan receivables leads necessarily to an undue disclosure of borrower-related data, this premise is not correct as the assignment can be structured in a way that avoids the disclosure of these data to the assignee. This view has been confirmed by the German Federal Court of Justice in its aforementioned recent ruling. In accordance with circular 4/97 of the BaFin which was expressly referred to by the German Federal Court of Justice in the ruling, a breach of the banking secrecy duty may be avoided by using a data trustee who keeps all data relating to the identity and address of each borrower in safe custody and discloses such data only upon insolvency or material violation of the seller in respect of its obligations towards the purchaser. Here, the Issuer, the Seller and the Data Trustee have agreed that certain data including the identity and address of each Debtor and provider of Related Collateral are not to be sent to the Issuer on the Purchase Date but only to the Data Trustee. Under the Data Trust Agreement, the Data Trustee will safeguard the data and may disclose the data to any substitute servicer or the Transaction Security Trustee only upon the occurrence of certain events including (i) if the Seller has directed the Data Trustee in writing to undertake such disclosure, (ii) a notice to the Data Trustee regarding the termination of the Servicer under the Servicing Agreement (iii) a Notification Event or (iv) a notice to the Data Trustee that knowledge of the relevant data is necessary for the Issuer (acting through such substitute servicer) to pursue legal remedies and prosecution of legal remedies through the Servicer is inadequate (see "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Data Trust Agreement").

The assignment of the Purchased Receivables, however, is not structured in strict compliance with the guidelines for German true sale securitisations of bank assets set out in the circular 4/97 of the BaFin. These guidelines require a neutral entity to act as data trustee that is a public notary, a domestic credit institution or a credit institution having its seat in any member state of the European Union or any other state of the European Economic Area and being supervised pursuant to the EU Banking Directives. SFM Trustees GmbH acting as Data Trustee does not fall into any of these categories. Arguably, the rationale for identifying regulated credit institutions and notaries as eligible data trustees is, besides their neutrality, their reliability in relation to the protection of data when handling personal data. Thus, the Issuer has been advised that there are good arguments to construe the term "neutral entity" for this purpose to include other entities having their seat in the European Union or European Economic Area if the relevant entity is equally neutral and reliable in relation to the handling of personal data. Absent any court rulings, however, it cannot be ruled out that a court would find that the transmission of the Debtor data to the Data Trustee - though in anonymised form - occurred in violation of banking secrecy requirements.

German Federal Data Protection Act (Bundesdatenschutzgesetz)

According to the German Federal Data Protection Act, a transfer of a customer's personal data is permitted if (a) the relevant customer has consented to such transfer or (b) such transfer is permitted by law, or (c) such transfer is (i) necessary in order to maintain the legitimate interests of the person storing the data and (ii) there is no reason to believe that the legitimate interests of the customer to prevent the processing and use of data should prevail over such other storer's interests. The Issuer is of the view that the transfer of the Debtors' personal data in connection with the assignment of the rights under the Purchased Receivables relating to the Related Collateral is in compliance with (c) above and is necessary to maintain the legitimate interests of the Seller, the Issuer and the Transaction Security Trustee. In addition, the Issuer is of the view that the protection mechanisms provided for in the Data Trust Agreement and the Receivables Purchase Agreement take into account the legitimate interests of the Debtors to prevent the processing and use of data by any of the Seller, the Issuer and the Transaction Security Trustee.

German Consumer Loan Legislation

The provisions of the German Civil Code which incorporate the provisions of the former German Consumer Credit Act (*Verbraucherkreditgesetz*) into the German Civil Code may apply to part of the Purchased Receivables. Consumers are defined as individuals acting for purposes relating neither predominantly to their commercial nor independent professional activities. Certain Loan Contracts will qualify as consumer loan contracts and will therefore be subject to the consumer loan provisions of the German Civil Code (in particular Sections 491 *et seqq.*). Since the Purchased Receivables were originated on or after 11 June 2010, the amended provisions in the German Civil Code on consumer loans and linked contracts (*verbundene Verträge*) that have been enacted in order to transpose the EU Consumer Credit Directive 2008/48/EC into German law apply.

Under those provisions, if the borrower is a consumer, he or she has the right to withdraw its consent to a consumer loan contract for a period of 14 calendar days commencing with the receipt of a written notice providing certain information including information regarding such right of withdrawal (*Widerrufsrecht*). In the event that a consumer is not properly notified of its right of withdrawal or has not been provided with certain information about the lender and the contractual relationship created under the consumer loan, the consumer may withdraw its consent at any time during the term of the consumer loan contract. German courts have adopted strict standards with regard to the information and the notice to be provided to the consumer. Due to the strict standards applied by the courts, it cannot be excluded that a German court could consider the language and presentation used in a Loan Contract as falling short of such standards. Should a Debtor withdraw the consent to the relevant Loan Contract, the Debtor would be obliged to prepay the Purchased Receivable. Hence, the Issuer would receive interest under such Purchased Receivable for a shorter period of time than initially anticipated. In this instance, the Issuer's claims with regard to the prepayment of the Purchased Receivable would not be secured by the Related Collateral granted therefor if the related security purpose agreement does not extend to such claims. In addition, depending on the specific circumstances, a Debtor may be able to successfully reduce the amount to be prepaid if it can be proven that the interest he or she would have paid to another lender had the revoked Loan Contract not been made (i.e., that the market interest rate was lower at that time), would have been lower than the interest paid under the Loan Contract until it was revoked (see also "*— Prepayment of Loans*" below).

If a Debtor is a consumer and the relevant vehicle or other goods or related services are financed in whole or in part by the Loan Contract, such Loan Contract and the related purchase agreement or other agreement may constitute linked contracts (*verbundene Verträge*) within the meaning of Section 358 of the German Civil Code. As a result, if such Debtor has any defences against the supplier of such vehicles or other goods or related services, such defences may also be raised as a defence against the Issuer's claim for payment under the relevant Loan Contracts and, accordingly, the Debtor may deny the repayment of such part of the Loan Instalments as relates to the financing of the related vehicle or other goods or related services. Further, the withdrawal of the Debtor's consent to one of the contracts linked (*verbunden*) to the Loan Contract may extend also to such Loan Contract and such withdrawal may be raised as a defence against such Loan Contract. The notice providing information about the right of withdrawal must contain information about the aforementioned legal effect of linked contracts. In the event that a consumer is not properly notified of its right of withdrawal and such legal effect, the consumer may withdraw its consent to any of these contracts at any time during the term of these contracts (subject to certain expiry provisions depending on the nature of the contract), and may raise such withdrawal as a defence against the relevant Loan Contract. If the purchase agreement for vehicles or other goods or the related services linked to a Loan Contract is invalid or has been rescinded, the Debtor has the right to refuse further payments under the relevant Loan Contract and may in certain circumstances also request repayment of the amount already paid under the Loan Contract. In addition, Section 360 para. 2 sentence 2 of the German Civil Code states that a consumer may also withdraw from a Loan Contract where the Loan Contract is not linked (*verbunden*) but related (*zusammenhängend*) to another contract. A Loan Contract will in particular qualify as a related contract if the purpose of the loan is to finance the other contract and the relevant goods or services (as the case may be) under such other contract which is subject to a withdrawal are specified in the Loan Contract. Thus, the withdrawal extends then also to the Loan Contract and the Debtor may raise the withdrawal of its consent to such other contract as a defence against its obligations under the Loan Contract.

According to the prevailing view in legal literature, Section 358 para. 1 of the German Civil Code does not apply to insurance policies (including, but not limited to, any loss compensation insurance policy (*Ratenschutzversicherung*)) to the extent that these insurance policies are subject to rights of withdrawal on the basis of statutory provisions other than (i) Sections 355 et seqq. of the German Civil Code or (ii) any statute referring to Sections 355 et seqq. of the German Civil Code (each a "**Relevant Insurance Policy**"). Therefore, if the Debtor withdraws its consent to a Relevant Insurance Policy, such withdrawal may not be raised as a defence against the Loan Contract and leaves such contract unaffected. The German Federal Court of Justice (*Bundesgerichtshof*) has not yet ruled on this issue. In light of the rulings of the Higher Regional Court (*Oberlandesgericht*) in Brandenburg, dated 14 July 2010 (4 U 141/09) and of the Higher Regional Court in Schleswig, dated 17 March 2010 (5 U 2/10), however, it cannot be excluded that the German Federal Court of Justice or German legal literature could in future reverse the prevailing view referred to above. As a result of such an interpretation, Section 358 para. 1 of the German Civil Code would also be applied to cases where the consumer withdraws its consent to a Relevant Insurance Policy and thus the Loan Contracts would be affected as described above. In addition, even though the Relevant Insurance Policy is entered into by the Seller as policy holder and the Debtor merely accedes to it as insured person, it could be argued that the Debtor should benefit from the same consumer protection as if the Relevant Insurance Policy and the related Loan Contract constituted linked contracts (to the extent the premiums to the relevant insurance have been financed by the Loan Contract). This would in particular include that defences may be invoked against the Loan Contracts on the basis of rights and claims the Debtor may have under such Relevant Insurance Policies. While contradictory court rulings have been issued by German regional courts on this matter (see Regional Court (*Landgericht*) in Hamburg, 22 January 2010 (320 S 98/09) versus Regional Court (*Landgericht*) in Mannheim, 16 March 2012 (8 O 213/11)), the German Federal Court of Justice has not decided this question.

In addition, there is legal uncertainty as to the interpretation of Section 360 of the German Civil Code regarding the question whether the above described legal consequences could still be triggered in relation to a Relevant Insurance Policy which is neither linked nor (on the basis of the line of arguments outlined in the preceding paragraph) related to a Loan Contract but is sufficiently specified in such Loan Contract.

Further, a number of Loan Contracts provide for an obligation of the Debtor to pay a loan handling fee (*Bearbeitungsgebühren*). Following the rendering of a number of court rulings with respect to the invalidity of such handling fees in Higher Regional Courts since 2010, the Federal Court of Justice (*Bundesgerichtshof*) held in a ruling of 13 May 2014 (docket no. XI ZR 170/13) that the obligation to pay the handling fee is void. As a result, the Debtor is entitled to set off its claim against the Seller for repayment of the handling fee (including interest accrued thereon at the percentage contractually agreed in the Loan Contract) against any payment claims of the Issuer under the relevant Purchased Receivable. However, the Seller has decided to cease charging a handling fee (*Bearbeitungsgebühr*) after 31 December 2012. In addition, with respect to Loan Contracts which have been entered into before 1 January 2012 it is the Seller's view that, in line with the Federal Court of Justice (*Bundesgerichtshof*) ruling of 28 October 2014 (XI ZR 17/14), such claims have become time-barred (*verjährt*) since 1 January 2015 .

However, in the event of any reduction of the Outstanding Principal Amount of any Purchased Receivable due to any set-off against the Seller due to a counterclaim of the Debtor, the Seller will be required to pay to the Issuer Deemed Collections in the amount equal to the sum of such reduction of the Outstanding Principal Amount of such Purchased Receivable. See "CERTAIN DEFINITIONS — Deemed Collections" and "TERMS AND CONDITIONS OF THE NOTES — Redemption — Amortisation".

Prepayment of Loans

Pursuant to Section 500 para. 2 of the German Civil Code, the borrower may in case of a consumer loan contract prepay the loan (*vorzeitige Rückzahlung*) in whole or in part at any time. In addition, the borrower may terminate the loan agreement at any time without observing a notice period for good cause (*aus wichtigem Grund*). In case of a prepayment, the Issuer would receive interest on such loan for a shorter period of time than initially anticipated.

The Loan Contracts provide for an obligation of the Debtor to pay a prepayment penalty (*Vorfälligkeitsentschädigung*) in accordance with Section 502 of the German Civil Code. In the event of a termination and prepayment of a loan, the Issuer would therefore be entitled to claim compensation from the Debtor for the interest which would have been payable by the Debtor on the prepaid amount had such amount been outstanding for the remainder of the term of the loan pursuant to and as provided for in Section 502 of the German Civil Code. In accordance with Section 502 para. 1 sentence 2 of the German Civil Code such prepayment penalty may not exceed the following amounts: (i) 1 per cent. or, if the period between the prepayment and the agreed repayment date (*vereinbarte Rückzahlung*) is no longer than one year, 0.5 per cent. of the prepaid amount; and (ii) the amount of interest that the borrower would have paid for the period between the prepayment and the agreed repayment date. The prepayments of loans would, *inter alia*, reduce the excess spread following such prepayments.

Overcollateralisation of Loans

According to German law, the granting of security for a loan may be held invalid and the security or part of the security may have to be released if the loan is overcollateralised. Overcollateralisation occurs where the creditor is granted collateral the value of which excessively exceeds the value of the secured obligations or if the granting of security leads to an inappropriate disadvantage for the debtor. Although there is no direct legal authority on point, the Issuer is of the view that the Purchased Receivables are not overcollateralised, although it cannot be ruled out that a German court would hold otherwise. Some German courts have for instance held that an assignment of wage claims in addition to other security interests provided for the same secured obligation may be invalid due to overcollateralization under certain circumstances. In the Receivables Purchase Agreement, the Seller has warranted to the Issuer that the Related Collateral relating to Purchased Receivables is legal, valid, binding and enforceable.

Change of Law

The structure of the Notes and the related transaction (including the Transaction Security Agreement, the Receivables Purchase Agreement and the other Transaction Documents governed by German law), the Loan Contracts underlying the Purchased Receivables and the Related Collateral as well as the ratings which are to be assigned to any Class of Notes are based on German law in effect as at the date of this Prospectus as applied by the courts and other competent authorities of Germany. No assurance can be given as to the impact of any possible change of German law, the interpretation thereof or judicial or administrative practice after the date of this Prospectus.

Licence Requirement of the Transaction Security Trustee under the German Legal Services Act

The rendering of legal services in Germany is subject to a licence requirement even where these legal services are rendered out of court. The acting as a collection agent for third parties is generally regarded under the German Legal Services Act (*Rechtsdienstleistungsgesetz*) as rendering legal services that is subject to a licence requirement. Any agreement entered into in violation of such licence requirement, including transactions contemplated thereby, would be void. Depending on the relevant activities of the Transaction Security Trustee in connection with the enforcement of the Note Collateral following an Issuer Event of Default, the Transaction Security Trustee may be regarded as acting as collection agent for the Noteholders and other Beneficiaries. In addition, if any entity acting as Transaction Security Trustee does not have such registration, this could also constitute an agreement entered into in violation of such licence requirement by such entity and may be void.

The Issuer has been advised, however, that as of the date of the Transaction Security Agreement, the Transaction Security Trustee will not be subject to the requirement to register under the German Legal Services Act solely by entering into the Transaction Security Agreement as the Transaction Security Trustee has its own claim against the debtors of the security granted to the Transaction Security Trustee under the Transaction Security Agreement and, accordingly, when enforcing the security, it also does so in order to satisfy its own claim. Further, even if the services provided by the Transaction Security Trustee were to be regarded as legal services within the meaning of the German Legal Services Act, such services would be permitted to be

performed without registration *provided that* these services are services ancillary to the profession or activity (*Nebenleistung zum Berufs- oder Tätigkeitsbild*) whereby an ancillary activity requires only a thematic interrelation to the profession rather than a direct connection. Any enforcement services conducted by a security trustee should, in general, not qualify as main business of a security trustee as the main task of a security trustee is rather to hold and administer the security and when enforcing security, it does so only in the event of default or a similar event. The Transaction Security Trustee should, therefore, be exempt from the registration requirement under German Legal Services Act. In the absence of an express court precedent or developed rule, there remains some legal uncertainty with respect to this issue.

Commercial Risks

Reliance on Representations and Warranties

If the Portfolio does not correspond, in whole or in part, to the representations and warranties made by the Seller in the Receivables Purchase Agreement, the Issuer has certain rights of recourse against the Seller. These rights are not collateralised with respect to the Seller except that, in the case of a breach of certain representations and warranties, the Seller will be required to pay Deemed Collections to the Issuer (see items (ii) through (v) of the definition of Deemed Collections under "CERTAIN DEFINITIONS — Deemed Collections" and "TERMS AND CONDITIONS OF THE NOTES — Redemption — Amortisation"). Consequently, a risk of loss exists in the event that such a representation or warranty is breached and the corresponding Deemed Collections are not paid. This could potentially cause the Issuer to default under the Notes.

Reliance on Administration and Collection Procedures

The Servicer will carry out the administration, collection and enforcement of the Purchased Receivables and the Related Collateral in accordance with the Servicing Agreement.

Accordingly, the Noteholders are relying on the business judgement and practices of the Servicer when enforcing claims against the Debtors, including taking decisions with respect to enforcement in respect of the Purchased Receivables and the Related Collateral. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement" and "CREDIT AND COLLECTION POLICY".

Replacement of the Servicer

If the appointment of the Servicer is terminated, the Issuer, with the assistance of the Corporate Administrator, may appoint a substitute servicer pursuant to the Servicing Agreement. Any substitute servicer which may replace the Servicer in accordance with the terms of the Servicing Agreement would have to be able to administer the Purchased Receivables and the Related Collateral in accordance with the terms of the Servicing Agreement, be duly qualified and licensed to administer finance contracts in Germany such as the Loan Contracts, be a bank or credit institution established within the European Economic Area and supervised in accordance with the relevant EU directives, and may be subject to certain residence and/or regulatory requirements. Further, it should be noted that any substitute servicer (other than a (direct or indirect) subsidiary of the Seller or of a parent of the Seller to which the servicing and collection of the receivables and the related collateral of the Seller is outsourced) may charge a servicing fee on a basis different from that of the Servicer. In addition, it should be noted that the Seller intends to outsource the servicing and collection of its receivables and related collateral to a subsidiary of the Seller or of a parent of the Seller, with the consequence that upon such outsourcing, the Servicer (which is currently the Seller) will be replaced by the new (direct or indirect) subsidiary of the Seller or of a parent of the Seller in its capacity as new Servicer. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Receivables Purchase Agreement" and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement".

Historical Data; Forecasts and Estimates

The historical information set out in particular under the heading "HISTORICAL DATA" is based on the past experience and present procedures of the Seller. None of the Manager, the Arranger, the Transaction Security Trustee or the Issuer has undertaken or will undertake any investigation or review of, or search to verify, such historical information. In addition, based on such historical information, there can be no assurance as to the future performance of the Purchased Receivables.

Estimates of the weighted average life of the Class A Notes included in this Prospectus together with any other projections, forecasts and estimates are supplied for information only and are forward-looking statements. Such projections, forecasts and estimates are speculative in nature and it can be expected that some or all of the underlying assumptions may differ or may prove substantially different from the actual realised figures. Consequently, the actual results might differ from the projections and such differences may be significant.

No Independent Investigation and Limited Information

Neither the Manager, the Arranger, the Transaction Security Trustee nor the Issuer has undertaken or will undertake any investigations, searches or other actions to verify the details of the Purchased Receivables or to establish the creditworthiness of any Debtor or any other party to the Transaction Documents. Each such person will rely solely on the accuracy of the representations and warranties given by the Seller to the Issuer in the Receivables Purchase Agreement in respect of, *inter alia*, the Purchased Receivables, the Debtors, the Loan Contracts underlying the Purchased Receivables and the Related Collateral, including, without limitation, security interests in the Financed Vehicles. The benefit of all such representations and warranties given to the Issuer will be transferred by the Issuer in favour of the Transaction Security Trustee under the Transaction Security Agreement.

The Seller is under no obligation to, and will not, provide the Manager, the Arranger, the Transaction Security Trustee or the Issuer with financial or other information specific to individual Debtors and certain underlying Loan Contracts to which the Purchased Receivables relate. The Manager, the Arranger, the Transaction Security Trustee and the Issuer will only be supplied with general information in relation to the aggregate of the Debtors and the underlying Loan Contracts. Further, neither the Manager, the Arranger, the Transaction Security Trustee nor the Issuer will have any right to inspect the internal records of the Seller.

The primary remedy of the Transaction Security Trustee and the Issuer for breaches of any representation or warranty with respect to the enforceability of the Purchased Receivables, the existence of the Related Collateral, the absence of material litigation with respect to the Seller, the transfer of free title to the Issuer and the compliance of the Purchased Receivables with the Eligibility Criteria will be to require the Seller to pay Deemed Collections in an amount equal to the then Outstanding Principal Amount of such Purchased Receivables (or the affected portion thereof). With respect to breaches of warranties under the Receivables Purchase Agreement generally, the Seller is obliged to indemnify the Issuer against any liability, losses and damages directly resulting from such breaches.

Risk of Losses on the Purchased Receivables

The risk to the Class A Noteholders that they will not receive the maximum amount due to them under the Class A Notes as stated on the cover page of this Prospectus is mitigated by the subordination of the Class B Notes to the Class A Notes as well as the amounts credited to the Reserve Fund which will be available on any Payment Date to meet certain obligations of the Issuer including its obligations under the Class A Notes in accordance with the Pre-Enforcement Priority of Payments.

However, there is no assurance that the Class A Noteholders will receive for each Class A Note the total initial Note Principal Amount plus interest as stated in the Terms and Conditions nor that the distributions and amortisations which are made will correspond to the monthly payments originally agreed upon in the underlying Loan Contracts.

There is no assurance that the Class B Noteholders will receive for each Class B Note the total initial Note Principal Amount plus interest as stated in the Terms and Conditions nor that the distributions and amortisations which are made will correspond to the monthly payments originally agreed upon in the underlying Loan Contracts. The risk to the Class B Noteholders that they will not receive the maximum amount due to them under the Class B Notes as stated on the cover page of this Prospectus is mitigated by the Reserve Fund which will be available on any Payment Date to meet certain obligations of the Issuer including its obligations under the Class B Notes in accordance with the Pre-Enforcement Priority of Payments.

Credit Risk of the Debtor; Sale of Financed Vehicles

If the Seller does not receive the full amount due from the Debtors in respect of the Purchased Receivables, the Noteholders are at risk of receiving less than the face value of their Notes and interest payable thereon. Consequently, the Noteholders are exposed to the credit risk of the Debtors. Neither the Seller nor the Issuer guarantees or warrants the full and timely payment by the Debtors of any sums payable under the Purchased Receivables. The ability of any Debtor to make timely payments of amounts due under the relevant Loan Contract will mainly depend on his or her assets and liabilities as well as his or her ability to generate sufficient income to make the required payments. The Debtors' ability to generate income may be adversely affected by a large number of factors.

There is no assurance that the present value of the Purchased Receivables will at any time be equal to or greater than the principal amounts outstanding of the Notes.

In addition, there can be no assurance as to the future geographical distribution of the Debtors or the Financed Vehicles within Germany and its effect, in particular, on the rate of amortisation of the Purchased Receivables. Consequently, any deterioration in the economic condition of Germany where Debtors and Financed Vehicles are located could have an adverse effect on the ability of the Debtors to repay the loans and the ability of the Transaction Security Trustee to sell the Financed Vehicles and could trigger losses in respect of the Notes or reduce their yield to maturity. Furthermore, although the Debtors are located throughout Germany, these Debtors may be concentrated in certain locations, such as densely populated or industrial areas. Any deterioration in the economic condition of the area in which the Debtors are located (or any deterioration in the economic condition of other areas) may have an adverse effect on the ability of the Debtors to make payments under the Loan Contracts. A concentration of the Debtors in such area may therefore result in a greater risk that the Noteholders will ultimately not receive the full principal amount of the Notes and interest thereon than if such concentration had not been present.

The rate of recovery upon a Debtor default may itself be influenced by various economic, tax, legal and other factors such as changes in the value of the Financed Vehicles or the level of interest rates from time to time. There might be various risks involved in the sales of used vehicles which could significantly influence the amount of proceeds generated from the sale, e.g. high damages and mileages, less popular configuration (engine, colour etc.), oversized special equipment, huge numbers of homogeneous types of vehicles in short time intervals, general price volatility in the used vehicles market or seasonal impact on sales.

Limited Availability of the Reserve Fund in respect of Interest and Principal due on the Notes

Prior to the occurrence of an Issuer Event of Default in the event of shortfalls under the Purchased Receivables, amounts from the Reserve Fund may only be drawn to reduce shortfalls with respect to interest and principal due under the Notes in accordance with the Pre-Enforcement Priority of Payments.

Risk of Late Payment Due to Deferral of Purchased Receivables

Under the Servicing Agreement, the Servicer may, in specific circumstances, grant a deferral of the date on which certain payments are due under the Loan Contracts. This results in a risk of late payment of instalments pursuant to the Loan Contracts underlying the Purchased Receivables.

Risk of Late Forwarding of Payments received by the Servicer

During the life of the transaction, the Seller in its capacity as Servicer is entitled to commingle any Collections from the Purchased Receivables with its own funds during each Collection Period and will only be required to transfer the amounts collected to the Transaction Account on each Payment Date. Commingled funds may be used or invested by the Seller at its own risk and for its own benefit until the relevant Payment Date

No assurance can be given that the Servicer will promptly forward all amounts collected from Debtors pursuant to the relevant Loan Contracts to the Issuer in respect of a particular Collection Period in accordance with the Servicing Agreement. Losses or delays in the processing of payments may in particular occur where the Servicer is replaced due to a disruption in service because a substitute servicer or back-up servicer is not immediately available or less experienced and efficient than the Servicer. It should be noted that no specific cash reserve (other than the Commingling Reserve following the occurrence of a Commingling Reserve Trigger Event) will be established to avoid any resulting shortfall in the payments of principal and interest by the Issuer in respect of the Notes on the Payment Date immediately following such Collection Period. Consequently, any Collections that are forwarded late will only be paid to the Noteholders on the subsequent Payment Date. However, the Servicer has undertaken to transfer any Collections received during any Collection Period (including, without limitation, Deemed Collections) on the Payment Date immediately following such Collection Period to the Transaction Account. Pursuant to the Servicing Agreement, if the Servicer fails to make a payment due under the Servicing Agreement at the latest on the second (2nd) Business Day after its due date, or, in the event no due date has been determined, within three (3) Business Days after the demand for payment, the Issuer may terminate the appointment of the Servicer and appoint a substitute servicer, provided the aggregate amount due is at least EUR 50,000. Following the occurrence of a Commingling Reserve Trigger Event, the risk of any shortfall due to late forwarding of Collections (including, without limitation, Deemed Collections other than Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections for which the provisions governing the Set-off Reserve Account apply, see "CREDIT STRUCTURE — Set-Off Reserve") received or payable by the Servicer is mitigated by the balance credited to the Commingling Reserve Account. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS - Servicing Agreement - Termination of the Servicer" and "CREDIT STRUCTURE — Commingling Reserve".

Creditworthiness of Parties to the Transaction Documents

The ability of the Issuer to meet its obligations under the Notes will be dependent on the performance of the duties by each party to the Transaction Documents.

No assurance can be given that the creditworthiness of the parties to the Transaction Documents, in particular the Servicer, will not deteriorate in the future. This may affect the performance of their respective obligations under the respective Transaction Documents. In particular, this may affect the payment of the Deemed Collections by the Seller in accordance with the Receivables Purchase Agreement as well as the administration, collection and enforcement of the Purchased Receivables by the Servicer in accordance with the Servicing Agreement.

Sharing with other creditors

The proceeds of enforcement and collection of the Note Collateral created by the Issuer in favour of the Transaction Security Trustee will be used in accordance with the Post-Enforcement Priority of Payments to satisfy claims of all Beneficiaries thereunder. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT — Post-Enforcement Priority of Payments".

The Issuer believes that the risks described above are the principal risks inherent in the transaction for the Noteholder, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the above statements regarding the risk of holding the Notes are exhaustive. Although the Issuer believes that the various structural elements described in this Prospectus lessen some of these risks for the Noteholders, there can be no assurance that these

measures will be sufficient to ensure payment to Noteholders of interest, principal or any other amounts on or in connection with the Notes on a timely basis or at all.

CREDIT STRUCTURE

Vehicle Loan Interest Rates

The Receivables which will be purchased by the Issuer include annuity loans, under which instalments are calculated on the basis of equal monthly amounts during the life of each loan, and balloon loans under which the final instalment may be higher than the previous instalments. Each instalment is comprised of a portion allocable to interest and a portion allocable to principal under such loan. In general, the interest portion of each instalment under annuity loans decreases in proportion to the principal portion over the life of such loan whereas towards maturity of such loan a greater part of each monthly instalment is allocated to principal.

Cash Collection Arrangements

Payments by the Debtors under the Purchased Receivables are due on a monthly basis, generally on the first (1st) or fifteenth (15th) calendar day, interest being payable in arrear. Prior to a Servicer Termination Event, all Collections will be paid by the Servicer to the Transaction Account maintained by the Issuer with the Account Bank on the Payment Date immediately following each Collection Period unless the Issuer applies part or all of the Collections and amounts standing to the credit of the Purchase Shortfall Account (if any) to the replenishment of the Portfolio (including by way of set-off, where relevant) in accordance with the Pre-Enforcement Priority of Payments and the other terms of the Receivables Purchase Agreement. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – Receivables Purchase Agreement" and "THE TRANSACTION ACCOUNT".

The Servicer will identify all amounts paid into the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account by crediting such amounts to the respective accounts and ledgers established for such purpose. A ledger will be maintained to record amounts held in the Transaction Account in respect of the balance of the Reserve Fund.

If at any time, an Account Bank Downgrade occurs, the Issuer will be required, no later than thirty (30) calendar days after the Account Bank Downgrade, to transfer any amounts credited to any Account (including, for the avoidance of doubt, the Reserve Fund), at no cost to the Issuer, to an alternative bank with at least the Account Bank Required Rating.

"**Account Bank Required Rating**" shall mean, with respect to the Account Bank, that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least A2 (or its replacement) by S&P or, if S&P has not assigned any rating to the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank, the long-term, unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least BBB (or its replacement) by S&P and (ii) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least BBB+ (or its replacement) and the short-term unsecured, unsubordinated and unguaranteed debt obligations of at least F2 (or its replacement) by Fitch.

"**Account Bank Downgrade**" means that (i) the Account Bank ceases to have the Account Bank Required Rating or (ii) such debt obligations of the Account Bank are no longer rated by any of the Rating Agencies.

Available Distribution Amount

The Available Distribution Amount (as defined below) will be calculated as at each Cut-Off Date with respect to the Collection Period ending on such Cut-Off Date for the purpose of determining, *inter alia*, the amount to be applied under the Pre-Enforcement Priority of Payments on the immediately following Payment Date. The Available Distribution Amount is defined in Appendix A to the Terms and Conditions. See "CERTAIN DEFINITIONS — Available Distribution Amount".

The amounts to be applied under the Pre-Enforcement Priority of Payments will vary during the life of the transaction as a result of possible variations in the amount of Collections and certain costs and expenses of the Issuer. The amount of Collections received by the Issuer under the Receivables Purchase Agreement will vary during the life of the Notes as a result of the level of delinquencies, defaults, repayments and prepayments in respect of the Purchased Receivables. The effect of such variations could lead to drawings, and the replenishment of such drawings, under the Reserve Fund.

Pre-Enforcement Priority of Payments

The Available Distribution Amount will, pursuant to the Terms and Conditions and the Receivables Purchase Agreement, be applied as of each Payment Date in accordance with the Pre-Enforcement Priority of Payments. The Pre-Enforcement Priority of Payments is set out in Condition 7.7 (*Pre Enforcement Priority of Payments*) of the Terms and Conditions. The amount of interest and principal payable under the Notes on each Payment Date will depend primarily on the amount of Collections received by the Issuer during the Collection Period immediately preceding such Payment Date and certain costs and expenses of the Issuer. See "TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption — Pre-Enforcement Priority of Payments".

Payments to satisfy amounts due to third parties (other than pursuant to the Transaction Documents) and payable in connection with the Issuer's business may be made from the Transaction Account, and, if applicable, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account, other than on a Payment Date.

Residual Payment to the Seller

On each Payment Date prior to the occurrence of a Termination Event and the occurrence of an Issuer Event of Default, the difference (if any) between the Available Distribution Amount and the sum of all amounts payable or to be applied (as the case may be) by the Issuer under items *first* to *eighteenth* (inclusive) of the Pre-Enforcement Priority of Payments with respect to the Cut-Off Date immediately preceding such Payment Date shall be disbursed to the Seller as residual payment in accordance with and subject to the Pre-Enforcement Priority of Payments. Upon the occurrence of an Issuer Event of Default, the difference (if any) between the Credit and the sum of all amounts payable or to be applied (as the case may be) by the Issuer under items *first* to *sixteenth* (inclusive) of the Post-Enforcement Priority of Payments with respect to the Cut-Off Date immediately preceding any Payment Date shall be disbursed to the Seller as residual payment in accordance with and subject to the Post-Enforcement Priority of Payments.

Post-Enforcement Priority of Payments

Upon the occurrence of an Issuer Event of Default prior to the full discharge of all Transaction Secured Obligations, any amounts payable by the Issuer will be paid in accordance with the Post-Enforcement Priority of Payments set out in Clause 23.2 (*Post Enforcement Priority of Payments*) of the Transaction Security Agreement. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT — Post-Enforcement Priority of Payments".

Reserve Fund

As of the Note Issuance Date, advances in an aggregate amount of EUR7,000,000 by the Subordinated Loan Provider under the Subordinated Loan have been credited to the Reserve Fund. Prior to the occurrence of an Issuer Event of Default, the amount credited to the Reserve Fund as of the Cut-Off Date immediately preceding any Payment Date will be available, to meet items *first* to *seventh* (inclusive) of the Pre-Enforcement Priority of Payments.

If and to the extent that the Available Distribution Amount on any Payment Date exceeds the amounts required to meet the items ranking higher than item *eighth* in the Pre-Enforcement Priority of Payments, the excess

amount will be applied to credit, or if a drawing has been made, to replenish, the Reserve Fund until the balance standing to the credit of the Reserve Fund equals the Required Reserve Amount.

Pursuant to the Receivables Purchase Agreement and the Terms and Conditions, the Required Reserve Amount will be (a) EUR 7,000,000 or (b) zero, if the Aggregate Outstanding Principal Amount is zero.

After all amounts of interest and principal due in respect of the Purchased Receivables have been paid, the Reserve Fund will be reduced to zero.

Commingling Reserve

If, at any time as long as the Seller is the Servicer, a Commingling Reserve Trigger Event occurs, the Seller will be required, within forty (40) Business Days, to transfer the Commingling Reserve Amount to an account of the Issuer held with the Account Bank (the "**Commingling Reserve Account**"). If, at any time as long as the Seller is the Servicer, the balance credited to the Commingling Reserve Account as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event is less than the Commingling Reserve Amount as calculated as of such Cut-Off Date, taking into account any amounts to be credited to the Commingling Reserve Account on the immediately following Payment Date pursuant to the Pre-Enforcement Priority of Payments, the Servicer will be required to transfer, within forty (40) Business Days, an amount equal to such shortfall as determined as of such Cut-Off Date to the Commingling Reserve Account. A "**Commingling Reserve Trigger Event**" will have occurred if, at any time, (a) Santander Consumer Finance, S.A. ceases to have the Commingling Required Rating or (b) Santander Consumer Finance, S.A. ceases to own, directly or indirectly, at least 60 % of the share capital of the Seller, unless in each case (a) and (b), the Seller has at least the Commingling Required Rating.

"**Commingling Required Rating**" means, with respect to any entity, that the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB (or its replacement) by S&P and such rating has not been withdrawn. "**Commingling Reserve Amount**" means, (a) as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event, an amount equal to the sum of (i) the amount of the Scheduled Collections for the period from the beginning of the Collection Period immediately following the relevant Cut-Off Date to the last Business Day of the second Collection Period after the relevant Cut-Off Date (both inclusive) and (ii) 2% of the Aggregate Outstanding Note Principal Amount as of the relevant Cut-Off Date or (b) if as of any Cut-Off Date no Commingling Reserve Trigger Event has occurred, zero. The amounts, if any, standing to the credit of the Commingling Reserve Account shall be included in the Available Distribution Amount and shall be applied on any Payment Date in accordance with the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer under item *fifth* of the Pre-Enforcement Priority of Payments) if and to the extent that the Seller has, on such Payment Date, failed to transfer to the Issuer any Collections (other than Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections) received or payable by the Seller during, or with respect to, the Collection Period ending on the Cut-Off Date immediately preceding such Payment Date or if the Servicer is either overindebted (*überschuldet*) or unable to pay its debts (*zahlungsunfähig*) or the inability of the Servicer to pay its debts is imminent (*drohende Zahlungsunfähigkeit*) or if any measures under Section 21 of the German Insolvency Code or under Sections 45, 46 or 46b of the German Banking Act (*Gesetz über das Kreditwesen*) are taken in respect of the Servicer. On any Payment Date following the occurrence of a Commingling Reserve Trigger Event, the Issuer shall pay to the Seller any Commingling Reserve Excess Amount. "**Commingling Reserve Excess Amount**" means, as of any Payment Date, the excess of the amounts standing to the credit of the Commingling Reserve Account over the Commingling Reserve Amount on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with item 7 of the definition of the Available Distribution Amount.

Set-Off Reserve

If, at any time, a Set-Off Reserve Trigger Event occurs, the Seller is required to transfer, within forty (40) Business Days, the Set-Off Reserve Amount to an account of the Issuer (the "**Set-Off Reserve Account**"). If the

balance credited to the Set-Off Reserve Account as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event is less than the Set-Off Reserve Amount as calculated as of such Cut-Off Date, taking into account any amounts to be credited to the Set-Off Reserve Account on the immediately following Payment Date pursuant to the Pre-Enforcement Priority of Payments, the Seller will be required, within forty (40) Business Days, to transfer an amount equal to such shortfall as determined as of such Cut-Off Date to the Set-Off Reserve Account.

A "**Set-Off Reserve Trigger Event**" will have occurred if, at any time, (a) Santander Consumer Finance S.A. ceases to have the Set-Off Required Rating or (b) Santander Consumer Finance S.A. ceases to own, directly or indirectly, at least 60% of the share capital of the Seller or (c) the Seller's credit quality is not commensurate with the Set-Off Required Rating, unless in each case (a) and (b), the Seller has at least the Set-Off Required Rating.

"**Set-Off Required Rating**" means, with respect to any entity, that the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB (or its replacement) by S&P and BBB+ (or its replacement) and the short-term unsecured, unsubordinated and unguaranteed debt obligations of at least F2 (or its replacement) by Fitch and any such rating has not been withdrawn.

"**Set-Off Reserve Amount**" shall mean:

(A) as of the Cut-Off Date immediately preceding the occurrence of a Set-Off Reserve Trigger Event and as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the sum of the Seller Deposits which are calculated with respect to each Debtor of Purchased Receivables outstanding as of the relevant date who, on the relevant Cut-Off Date, holds Seller Deposits, and are in each case equal to the lower of (i) the amount of Seller Deposits which, as of the relevant Cut-Off Date, are held with the Seller by such Debtor, and (ii) the Principal Amount of the Purchased Receivables owed by such Debtor outstanding as of the relevant Cut-Off Date; or

(B) if as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the Seller has at least the Set-Off Required Rating, zero.

"**Seller Deposits**" means, with respect to any Debtor, the actual aggregate amount held by such Debtor in the form of money market accounts (*Tagesgeldkonten*), savings certificates (*Sparbriefe*), savings accounts (*Sparkonten*), current accounts (*Girokonten*) and/or credit cards (*Kreditkarten*) with the Seller at the relevant time.

The amounts, if any, standing to the credit of the Set-Off Reserve Account shall be included in the Available Distribution Amount and shall be applied on any Payment Date in accordance with the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer under item *fifth* of the Pre-Enforcement Priority of Payments) if and to the extent (i) any amounts that would otherwise have to be transferred to the Issuer as Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections for the Collection Period ending on the relevant Cut -Off Date were not received by the Seller as a result of any of the actions described in item (B)(i) of the definition of Deemed Collections, and (ii) the Issuer does not have a right of set-off against the Seller with respect to such amounts on the relevant Payment Date. On any Payment Date following the occurrence of a Set-Off Reserve Trigger Event, the Issuer shall pay to the Seller the Set-Off Reserve Excess Amount. "**Set-Off Reserve Excess Amount**" means, as of any Payment Date, the excess of the amounts standing to the credit of the Set-Off Reserve Account over the Set-Off Reserve Amount on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with item 8 of the definition of Available Distribution Amount.

Credit Enhancement

As, on the Note Issuance Date, the average interest rate under the Loan Contracts exceeds the average interest rate of the Notes, it is expected that the aggregate interest portions of the Collections received and forming part

of item 2 of the definition of Available Distribution Amount will exceed the amounts required to meet the items ranking higher than Class A Notes Interest (item *sixth*) in the Pre-Enforcement Priority of Payments.

Prior to the occurrence of an Issuer Event of Default, the Class A Notes have the benefit of credit enhancement provided through the subordination of the Class B Notes and through the Reserve Fund, *provided that* (i) if no Principal Deficiency Trigger Event occurs as of any Payment Date, the payment of interest of the Class B Notes is subordinated to the payment of interest of the Class A Notes and the payment of principal of the Class B Notes is subordinated to the payment of principal of the Class A Notes, and (ii) if a Principal Deficiency Trigger Event occurs as of any Payment Date, the payment of interest and principal of the Class B Notes is subordinated to the payment of interest and principal of the Class A Notes. The Class B Notes have the benefit of credit enhancement provided through the Reserve Fund.

Following the occurrence of an Issuer Event of Default, the Class A Notes have the benefit of credit enhancement provided through the subordination, both as to payment of interest and principal and on enforcement of the Note Collateral, of the Class B Notes and the Reserve Fund.

Subordinated Loan

The Subordinated Loan Provider has made available to the Issuer on the Purchase Date a subordinated loan facility (the "**Subordinated Loan**") in the principal amount of EUR7,000,000 which has been utilised for the purpose of establishing the Reserve Fund. The obligations of the Issuer under the Subordinated Loan are subordinated to the obligations of the Issuer under the Notes and, following an Issuer Event of Default, rank against the Notes and all other obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments.

Prior to the occurrence of an Issuer Event of Default, interest under the Subordinated Loan will be payable by the Issuer monthly in arrear on each Payment Date, subject to and in accordance with the Pre- Enforcement Priority of Payments. The principal amount outstanding and unpaid on the Subordinated Loan will be repaid by the Issuer out of any reduction in the amount of the Required Reserve Amount in accordance with the Pre-Enforcement Priority of Payments. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Subordinated Loan Agreement".

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes are set out below. Appendix A to the Terms and Conditions is set out under "CERTAIN DEFINITIONS". Appendix B to the Terms and Conditions is set out under "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT". Appendix C to the Terms and Conditions is set out under "DESCRIPTION OF THE PORTFOLIO — Eligibility Criteria". Appendix D to the Terms and Conditions is set out under "CREDIT AND COLLECTION POLICY". Each of Appendix A, Appendix B, Appendix C and Appendix D forms an integral part of the Terms and Conditions.

1. Form and Denomination

1.1 SC Germany Vehicles 2015-1 UG (*haftungsbeschränkt*), incorporated with limited liability (*Unternehmergeellschaft (haftungsbeschränkt)*) in the Federal Republic of Germany (**Germany**) registered with the commercial register of the local court (*Amtsgericht*) in Frankfurt am Main under the registration number HRB 101849 with its registered office at c/o SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany (the **Issuer**) issues the following classes of fixed rate amortising asset-backed notes in bearer form (each, a **Class** and collectively, the **Notes**) pursuant to these terms and conditions (the **Terms and Conditions**):

- (a) Class A 0.978% Notes due on the Payment Date falling in November 2030 (the **Class A Notes**) which are issued in an initial aggregate principal amount of EUR633,500,000 and divided into 6,335, each having a principal amount of EUR 100,000 as denomination,
- (b) Class B 2.167% Notes due on the Payment Date falling in November 2030 (the **Class B Notes**) which are issued in the aggregate principal amount of EUR66,500,000 and divided into 665, each having a principal amount of EUR100,000 as denomination.

The Notes shall be issued on or about 23 April 2015 (the **Note Issuance Date**). All Notes shall be issued in new global note form. The holders of the Notes are referred to as the **Noteholders**.

1.2 Each Class of Notes shall be initially represented by a temporary global bearer note (the **Temporary Global Note**) without interest coupons. The Temporary Global Notes shall be exchangeable, as provided in paragraph 1.3 below, for permanent global bearer notes which are recorded in the records of the ICSDs (the **Permanent Global Note**) without interest coupons representing each such Class. Definitive Notes and interest coupons shall not be issued. Each Permanent Global Note and each Temporary Global Note is also referred to herein as a **Global Note** and, together, as **Global Notes**. Each Global Note representing the Class A Notes shall be deposited with an entity appointed as common safekeeper (the **Class A Notes Common Safekeeper**) by the ICSDs. Each Global Note representing the Class B Notes shall be deposited with an entity appointed as common safekeeper (the **Class B Notes Common Safekeeper** and together with the Class A Notes Common Safekeeper, the **Common Safekeepers**) by the ICSDs.

1.3 The Temporary Global Notes shall be exchanged for the Permanent Global Notes recorded in the records of the ICSDs on a date (the **Exchange Date**) not earlier than 40 calendar days and not later than 180 calendar days after the date of issue of the Temporary Global Notes upon delivery by the relevant participants to the ICSDs, as relevant, and by the ICSDs to the Principal Paying Agent, of certificates in the form which forms part of the Temporary Global Notes and are available from the Principal Paying Agent for such purpose, to the effect that the beneficial owner or owners of the Notes represented by the relevant Temporary Global Note is not a U.S. person or are not U.S. persons other than certain financial institutions or certain persons holding through such financial institutions. Each Permanent Global Note delivered in exchange for the relevant Temporary Global Note shall be delivered only outside of the United States. **United States** shall mean, for the purposes of this

Condition 1.3, the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands). Any exchange of a Temporary Global Note pursuant to this Condition 1.3 shall be made free of charge to the Noteholders. Upon an exchange of a portion only of the Notes represented by the Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered pro rata in the records of the ICSDs.

- 1.4 Payments of interest or principal on the Notes represented by a Temporary Global Note shall be made only after delivery by the relevant participants to the ICSDs, as relevant, and by an ICSD to the Principal Paying Agent of the certifications described in paragraph 1.3 above.
- 1.5 Each Global Note shall be manually signed by or on behalf of the Issuer and shall be authenticated by the Principal Paying Agent and, in respect of each Global Note representing the Class A Notes, effectuated by the Class A Notes Common Safekeeper on behalf of the Issuer and, in respect of each Global Note representing the Class B Notes, effectuated by the Class B Notes Common Safekeeper on behalf of the Issuer.
- 1.6 The aggregate nominal amount of the Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. Absent errors, the records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate nominal amount of Notes represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the aggregate nominal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered pro rata in the records of the ICSDs and, upon any such entry being made, the aggregate nominal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid.

- 1.7 The provisions set out in Schedule 8 of the agency agreement (the **Agency Agreement**) between the Issuer, The Bank of New York Mellon, London Branch as calculation agent (or any successor or substitute appointed with such capacity, the **Calculation Agent**), as cash administrator (the **Cash Administrator**) and as principal paying agent (the **Principal Paying Agent**), dated on or about 21 April 2015 2015 which contain primarily the procedural provisions regarding resolutions of Noteholders shall hereby be fully incorporated into these Terms and Conditions. The Issuer shall specify, by means of a notification in accordance with Condition 13 (Form of Notices), at any time, but no later than upon publication of a convening notice for a Noteholders' meeting, a website for the purpose of publications under such procedural provisions. Such notification shall hereby be fully incorporated into these Terms and Conditions upon publication or delivery thereof in accordance with Condition 13 (Form of Notices).
- 1.8 Copies of the Global Notes are available free of charge at the main offices of the Issuer and of the Principal Paying Agent (as defined in Condition 9.1 (Agents; Luxembourg Intermediary; Determinations Binding)).
- 1.9 Certain terms not defined but used herein shall have the same meanings herein as in Appendix A, Appendix C or Appendix D to these Terms and Conditions (**Appendix A**, **Appendix C** and **Appendix D**, respectively) each of which constitutes an integral part of these Terms and Conditions.

1.10 The Notes are subject to the provisions of a transaction security agreement (the **Transaction Security Agreement**) between the Issuer, the Principal Paying Agent, the Calculation Agent, the Cash Administrator, the Data Trustee, the Account Bank, the Corporate Administrator, the Seller, the Servicer, the Subordinated Loan Provider and SFM Trustees Limited as transaction security trustee (including any successor or substitute appointed with such capacity, the **Transaction Security Trustee**) dated on or about 21 April 2015. The main provisions of the Transaction Security Agreement are set out in Appendix B to these Terms and Conditions (**Appendix B**) which constitutes an integral part of these Terms and Conditions. Terms defined in the Transaction Security Agreement shall have the same meanings herein.

2. Status and Priority

2.1 The Notes constitute direct, secured and (subject to Condition 3.2 (Limited Recourse)) unconditional obligations of the Issuer.

2.2 The obligations of the Issuer under the Class A Notes rank *pari passu* amongst themselves without any preference among themselves in respect of security. Following an Issuer Event of Default (as defined in Condition 3.5 (Issuer Event of Default)), the obligations of the Issuer under the Class A Notes rank against all other current and future obligations of the Issuer in accordance with the post-enforcement priority of payments (the **Post-Enforcement Priority of Payments**) set out in Clause 23.2 of the Transaction Security Agreement (see Appendix B). The obligations of the Issuer under the Class B Notes rank *pari passu* amongst themselves in respect of security. Following an Issuer Event of Default the obligations of the Issuer under the Class B Notes rank against all other current and future obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments.

3. Provision of Security; Limited Payment Obligation; Issuer Event of Default

3.1 Security

Pursuant to the Transaction Security Agreement, the Issuer has transferred or pledged its rights and claims in all Purchased Receivables and the Related Collateral transferred by the Seller to it under the Receivables Purchase Agreement, all of its rights and claims arising under certain Transaction Documents to which the Issuer is a party and certain other rights specified in the Transaction Security Agreement (such collateral as defined in Clause 7 (Security Purpose) of the Transaction Security Agreement, the **Collateral** or the **Note Collateral**) as security for the Notes and other obligations specified in the Transaction Security Agreement. As to the form and contents of such provision of security, reference is made to Clauses 5 (Transfer for Security Purposes of the Assigned Security) and 6 (Pledge) and the other provisions of the Transaction Security Agreement (see Appendix B).

3.2 Limited Recourse

(a) **All payment obligations of the Issuer under the Notes constitute exclusive obligations to pay out the Credit (as defined in Clause 23.1 (Post Enforcement Priority of Payments) of the Transaction Security Agreement) in accordance with the Post-Enforcement Priority of Payments. Such funds shall be generated by, and limited to (i) payments made to the Issuer by the Servicer under the Servicing Agreement, (ii) payments made to the Issuer under the other Transaction Documents (other than the Funding Loan Agreement and the Transaction Cost Fee), (iii) proceeds from the realisation of the Note Collateral, (iv) interest earned on the balance credited to the Transaction Account and, if applicable, the Purchase Shortfall Account, as available on the relevant Payment Date (Condition 5.1 (Payment Dates)) according to the Post-Enforcement Priority of Payments (Clause 23.2 (Post Enforcement Priority of Payments) of the Transaction Security Agreement) and (v) any positive balance of the net assets (*sonstiges freies Vermögen*) of the Issuer provided that, prior to the occurrence of an Issuer Event of Default, the Available Distribution Amount shall be applied in accordance with the Pre-Enforcement Priority of Payments (Condition 7.7**

(Pre-Enforcement Priority of Payments)). The Notes shall not give rise to any payment obligation in excess of the Credit and any positive balance of the net assets (*sonstiges freies Vermögen*) and recourse shall be limited accordingly.

- (b) The Issuer shall hold all monies paid to it in the Transaction Account, except the Commingling Reserve Amount which the Issuer shall hold in the Commingling Reserve Account, the Set-Off Reserve Amount which the Issuer shall hold in the Set-Off Reserve Account and the Purchase Shortfall Amount which the Issuer shall hold in the Purchase Shortfall Account. Furthermore, the Issuer shall exercise all of its rights under the Transaction Documents with the due care of a prudent businessman such that obligations under the Notes may be performed to the fullest extent possible.
- (c) To the extent that such assets, or the proceeds of realisation thereof, after payment of all claims ranking in priority to the Notes, prove ultimately insufficient to satisfy the claims of all Noteholders in full, then any shortfall arising therefrom shall be extinguished and neither any Noteholder nor the Transaction Security Trustee shall have any further claims against the Issuer. Such assets and proceeds shall be deemed to be "ultimately insufficient" at such time as no further assets are available and no further proceeds can be realised therefrom to satisfy any outstanding claim of the Noteholders, and neither assets nor proceeds shall be so available thereafter.

3.3 Enforcement of Payment Obligations

The enforcement of the payment obligations under the Notes shall only be effected by the Transaction Security Trustee for the benefit of all Noteholders, provided that each Noteholder shall be entitled to proceed directly against the Issuer in the event that the Transaction Security Trustee, after having become obliged to enforce the Note Collateral and having been given notice thereof, fails to do so within a reasonable time period and such failure continues. The Transaction Security Trustee shall foreclose on the Note Collateral upon the occurrence of an Issuer Event of Default on the conditions and in accordance with the terms of the Transaction Security Agreement including, in particular, Clauses 19 (Enforcement of Note Collateral) and 20 (Payments upon Occurrence of an Issuer Event of Default) of the Transaction Security Agreement (see Appendix B).

3.4 Obligations of the Issuer only

The Notes represent obligations of the Issuer only and do not represent an interest in or obligation of the Transaction Security Trustee, any other party to the Transaction Documents or any other third party.

3.5 Issuer Event of Default

An **Issuer Event of Default** shall occur when:

- (a) the Issuer becomes overindebted (*überschuldet*) or is unable to pay its debts as they fall due (*zahlungsunfähig*) or the inability of the Issuer to pay its debts as they fall due is imminent (*drohende Zahlungsunfähigkeit*) or measures under Section 21 of the German Insolvency Code (*Insolvenzordnung*) are taken with respect to the Issuer or the Issuer initiates or otherwise becomes subject to liquidation, insolvency, or similar proceedings under any applicable law, which affect or prejudice the performance of its obligations under the Notes or the other Transaction Documents, and are not, in the opinion of the Transaction Security Trustee, being disputed in good faith with a reasonable prospect of discontinuing or discharging the same, or such proceedings are not instituted for lack of assets;
- (b) the Issuer defaults in the payment of any interest due and payable in respect of any Class A Note and such default continues for a period of at least five (5) Business Days;

- (c) the Issuer defaults in the payment of any interest or principal due and payable in respect of any Note or in the due payment or performance of any other Transaction Secured Obligation (as such term is defined in Clause 7 (Security Purpose) of the Transaction Security Agreement), other than those mentioned under items *sixteenth* to *nineteenth* of the Pre-Enforcement Priority of Payments, in each case to the extent that the Available Distribution Amount as of the Cut-Off Date immediately preceding the relevant Payment Date would have been sufficient to pay such amounts, and such default continues for a period of at least five (5) Business Days;
- (d) a distress, execution, attachment or other legal process is levied or enforced upon or sued out against all or any substantial part of the assets of the Issuer and is not discharged or does not otherwise cease to apply within thirty (30) calendar days of being levied, enforced or sued out or legal proceedings are commenced for any of the aforesaid, or the Issuer makes a conveyance or assignment for the benefit of its creditors generally; or
- (e) the Transaction Security Trustee ceases to have a valid and enforceable security interest in any of the Note Collateral or any other security interest created under any Transaction Security Document.

4. General Covenants of the Issuer

4.1 Restrictions on Activities

As long as any Notes are outstanding, the Issuer shall not be entitled, without the prior consent of the Transaction Security Trustee (such consent shall not be given unless each Rating Agency has been notified in writing of such action) or unless required by applicable law, to engage in or undertake any of the activities or transactions specified in Clause 39 (Actions of the Issuer requiring consent) of the Transaction Security Agreement (see Appendix B).

4.2 Appointment of Transaction Security Trustee

As long as any Notes are outstanding, the Issuer shall ensure that a transaction security trustee is appointed at all times who has undertaken substantially the same functions and obligations as the Transaction Security Trustee pursuant to these Terms and Conditions and the Transaction Security Agreement.

5. Payments on the Notes

5.1 Payment Dates

Payments of interest and, after the expiration of the Replenishment Period, in accordance with the provisions herein, principal in respect of the Notes to the Noteholders shall become due and payable monthly on the eleventh (11th) day of each calendar month or if such day is not a Business Day, on the next succeeding day which is a Business Day unless such date would thereby fall into the next calendar month, in which case the payment will be made on the immediately preceding Business Day, commencing on 11 May 2015 (each such day, a **Payment Date**). **Business Day** shall mean a day on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (**TARGET2**) are operational and on which commercial banks and foreign exchange markets are open or required to be open for business in Luxembourg, London, England, Frankfurt am Main, Germany and Düsseldorf, Germany.

5.2 Note Principal Amount

Payments of interest, and, after the expiration of the Replenishment Period, payments of principal and interest on each Note as of any Payment Date shall be made on the Note Principal Amount of such Note. The **Note Principal Amount** of any Note as of any date shall be the aggregate amount from time to time entered in the records of both ICSDs. **Class A Principal Amount** shall mean, as of any date, the sum of the Note Principal Amounts of all Class A Notes and **Class B Principal Amount** shall mean, as of any date, the sum of the Note Principal Amounts of all Class B Notes. Each of the Class A Principal Amount and the Class B Principal Amount is referred to herein as a **Class Principal Amount**. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate principal amount of Notes represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or payment of interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered pro rata in the records of the ICSDs and, upon any such entry being made, the aggregate principal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled.

On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered pro rata in the records of the ICSDs.

5.3 Payments and Discharge

- (a) Payments of interest, and, after the expiration of the Replenishment Period, payments of principal and interest in respect of the Notes shall be made by the Issuer, through the Principal Paying Agent, on each Payment Date to, or to the order of, the ICSDs, as relevant, for credit to the relevant participants in the ICSDs for subsequent transfer to the Noteholders.
- (b) Payments in respect of interest on any Notes represented by the Temporary Global Note shall be made to, or to the order of, the ICSDs, as relevant, for credit to the relevant participants in the ICSDs for subsequent transfer to the relevant Noteholders upon due certification as provided in Condition 1.3 (Form and Denomination).
- (c) All payments made by the Issuer to, or to the order of, the ICSDs, as relevant, shall discharge the liability of the Issuer under the relevant Notes to the extent of the sums so paid. Any failure to make the entries in the records of the ICSDs referred to in Condition 5.2 (Note Principal Amount) shall not affect the discharge referred to in the preceding sentence.

6. Payments of Interest

6.1 Interest Calculation

- (a) Subject to the limitations set forth in Condition 3.2 (Limited Recourse) and, in particular, subject to the Pre-Enforcement Priority of Payments and, upon the occurrence of an Issuer Event of Default, the Post-Enforcement Priority of Payments, each Note shall bear interest on its Note Principal Amount from the Note Issuance Date until the close of the day preceding the day on which such Note has been redeemed in full (both days inclusive).
- (b) The amount of interest payable by the Issuer in respect of each Note on each Payment Date (the **Interest Amount**) shall be calculated by applying the relevant Interest Rate (Condition 6.3 (Interest Rate)), for the relevant Interest Period (Condition 6.2 (Interest Period)), to the Note Principal Amount

outstanding immediately prior to the relevant Payment Date and multiplying the result by the actual number of days in the relevant Interest Period divided by 360 and rounding the result to the nearest EUR0.01 (with EUR0.005 being rounded upwards). **Class A Notes Interest** shall mean the aggregate Interest Amount payable (including any Interest Shortfall) in respect of all Class A Notes on any date and **Class B Notes Interest** shall mean the aggregate Interest Amount payable (including any Interest Shortfall) in respect of all Class B Notes on any date.

6.2 Interest Period

Interest Period shall mean, in respect of the first Payment Date, the period commencing on (and including) the Note Issuance Date and ending on (but excluding) the first Payment Date and in respect of any subsequent Payment Date, the period commencing on (and including) a Payment Date and ending on (but excluding) the immediately following Payment Date.

6.3 Interest Rate

The interest rate payable on the Note for each Interest Period (each, an **Interest Rate**) shall be

- (a) in the case of the Class A Notes, 0.978% per annum,
- (b) in the case of the Class B Notes, 2.167% per annum.

This Condition 6.3 shall be without prejudice to the application of any higher interest under applicable mandatory law.

6.4 Notifications

The Calculation Agent shall, as soon as practicable either by 11:00 a.m. (Brussels time) the second (2nd) Business Day immediately preceding the commencement of such Interest Period (each, an **Interest Determination Date**) or on the Business Day immediately following each Interest Determination Date but no later than 11:00 a.m. (London time) on such Business Day, determine the relevant Interest Period, Interest Amount and Payment Date with respect to each Class of Notes and notify such information to each of the Principal Paying Agent, the Issuer, the Cash Administrator, the Corporate Administrator and the Transaction Security Trustee in writing without undue delay. Upon receipt of such information and if applicable, relevant completed forms, by no later than 2:00 p.m. (London time) on the day of intended notification, the Principal Paying Agent shall notify such information (a) as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, to the Luxembourg Stock Exchange and the Luxembourg Intermediary as well as to the holders of such Notes in accordance with Condition 13 (Form of Notices) and (b) if any Notes are listed on any other stock exchange, to such exchange as well as to the holders of such Notes in accordance with Condition 13 (Form of Notices). In the event that such notification is required to be given to the Luxembourg Stock Exchange and the Luxembourg Intermediary, this notification, together with any completed forms required by the Luxembourg Stock Exchange, shall be given no later than the close of the day of intended notification.

6.5 Interest Shortfall

Accrued interest not paid on any Payment Date related to the Interest Period in which it accrued, shall be an **Interest Shortfall** with respect to the relevant Note. An Interest Shortfall shall become due and payable on the next Payment Date and on any following Payment Date (subject to Condition 3.2 (Limited Recourse)) until it is reduced to zero. Interest shall not accrue on Interest Shortfalls at any time.

7. Replenishment and Redemption

7.1 Replenishment

No payments of principal in respect of the Notes shall become due and payable to the Noteholders during the Replenishment Period. On each Payment Date during the Replenishment Period, the Seller may, without the consent of the Issuer or the Transaction Security Trustee, sell and assign to the Issuer Additional Receivables in accordance with the provisions of the Receivables Purchase Agreement (the **Replenishment Period**) for an aggregate purchase price not exceeding the Replenishment Available Amount, provided that the following conditions are satisfied as of such Payment Date:

- (a) in respect of each Additional Receivable the Eligibility Criteria (as set out in Appendix C) are met and
- (b) each Additional Receivable and the Related Collateral are assigned and transferred in accordance with the provisions of the Receivables Purchase Agreement and the Data Trust Agreement. The Issuer shall be obligated to purchase and acquire Receivables for purposes of a Replenishment only to the extent that the obligation to pay the purchase price for the Receivables offered to the Issuer by the Seller for purchase on any Purchase Date can be satisfied by the Issuer by applying the Available Distribution Amount as of the Cut-Off Date immediately preceding the relevant Purchase Date in accordance with the Pre- Enforcement Priority of Payments.

7.2 Amortisation

Subject to the limitations set forth in Condition 3.2 (Limited Recourse) and, in particular, subject to the Post-Enforcement Priority of Payments upon the occurrence of an Issuer Event of Default, the Class A Notes and, after the Class A Notes have been redeemed in full, the Class B Notes, in this order sequentially, shall be redeemed on each Payment Date falling on a date after the expiration of the Replenishment Period in an amount equal to the Available Distribution Amount less the sum of all amounts payable or to be applied (as the case may be) by the Issuer as set forth in the Pre-Enforcement Priority of Payments under items *first* to *eleventh* (inclusive) and item *thirteenth* (if relevant) and subject to the relevant Class Target Principal Amount, *provided that* each Note of a particular Class shall be redeemed on each Payment Date in an amount equal to the redemption amount allocated to such Class divided by the number of Notes in such Class. **Class A Notes Principal** shall mean the aggregate principal amount payable in respect of all Class A Notes on any date and **Class B Notes Principal** shall mean the aggregate principal amount payable in respect of all Class B Notes on any date.

7.3 Scheduled Maturity Date

On the Payment Date falling in November 2027 (the **Scheduled Maturity Date**), each Class A Note shall, unless previously redeemed or purchased and cancelled, be redeemed in full at the then outstanding Note Principal Amount and, after all Class A Notes have been redeemed in full, each Class B Note shall, unless previously redeemed or purchased and cancelled, be redeemed in full at the then outstanding Note Principal Amount, subject to the availability of funds pursuant to the Pre-Enforcement Priority of Payments. In the event of insufficient funds pursuant to the Pre-Enforcement Priority of Payments, any outstanding Note shall be redeemed on the next Payment Date and on any following Payment Date in accordance with and subject to the limitations set forth in Condition 3.2 (Limited Recourse) until each Note has been redeemed in full, subject to the Condition 7.4 (Legal Maturity Date).

7.4 Legal Maturity Date

On the Payment Date falling in November 2030 (the **Legal Maturity Date**), each Class A Note shall, unless previously redeemed or purchased and cancelled, be redeemed in full at the then outstanding Note Principal Amount and, after all Class A Notes have been redeemed in full, each Class B Note shall, unless previously redeemed or purchased and cancelled, be redeemed in full at the then outstanding Note Principal Amount, in each case subject to the limitations set forth in Condition 3.2 (Limited Recourse). The Issuer shall be under no obligation to make any payment under the Notes after the Legal Maturity Date.

7.5 Early Redemption

- (a) On any Payment Date on which the Aggregate Outstanding Principal Amount has been reduced to less than 10% of the Aggregate Outstanding Note Principal Amount as of the Note Issuance Date, the Seller shall have the option under the Receivables Purchase Agreement to repurchase all Purchased Receivables (together with any Related Collateral) which have not been sold to a third party and the proceeds from such repurchase shall constitute Collections and shall be deemed to be received during the Collection Period relating to such Payment Date, subject to the following requirements:
- (i) the proceeds distributable as a result of such repurchase on the Early Redemption Date shall be at least equal to the sum of the then outstanding Note Principal Amounts of the Class A Notes plus accrued but unpaid interest thereon together with all amounts ranking prior thereto according to the Pre-Enforcement Priority of Payments;
 - (ii) the Seller shall advise the Issuer of its intention to exercise the repurchase option at least one (1) month prior to the contemplated termination date which must be a Payment Date (the **Early Redemption Date**); and
 - (iii) the repurchase price to be paid by the Seller is equal to the Aggregate Outstanding Principal Amount as at the Early Redemption Date plus any interest accrued but unpaid on all Purchased Receivables which are not Defaulted Receivables as at such time.
- (b) The repurchase option by the Seller under the Receivables Purchase Agreement and, accordingly, the early redemption of the Notes pursuant to this Condition 7.5 shall be excluded if the sum of the repurchase price determined pursuant to Condition 7.5 (a)(iii) above and all other amounts forming part of the Available Distribution Amount relating to such Payment Date is not sufficient to fully satisfy the obligations of the Issuer specified under Condition 7.5 (a)(iii) above.
- (c) Upon payment in full of the amounts pursuant to Condition 7.5 (a)(i) above to the Noteholders, the Noteholders shall not receive any further payments of interest or principal.

7.6 Optional Redemption for Taxation Reasons

If the Issuer is or becomes at any time required by law to deduct or withhold in respect of any payment under the Notes current or future taxes, levies or governmental charges, regardless of their nature, which are imposed under any applicable system of law or in any country which claims fiscal jurisdiction by, or for the account of, any political subdivision thereof or government agency therein authorised to levy taxes, the Issuer shall determine within twenty (20) calendar days of such circumstance occurring whether it would be practicable to arrange for the substitution of the Issuer in accordance with Condition 11 (Substitution of the Issuer) or to change its tax residence to another jurisdiction approved by the Transaction Security Trustee. The Transaction Security Trustee shall not give such approval unless each Rating Agency has been notified in writing of such substitution or change of the tax residence of the Issuer. If the Issuer determines that any of such measures would be practicable, it shall effect such substitution in accordance with Condition 11 (Substitution of the Issuer) or (as relevant) such change of tax residence within sixty (60) calendar days from such determination. If, however, it determines within twenty (20) calendar days of such circumstance occurring that none of

such measures would be practicable or if, having determined that any of such measures would be practicable, it is unable so to avoid such deduction or withholding within such further period of sixty (60) calendar days, then the Issuer shall be entitled at its option (but shall have no obligation) to fully redeem all (but not some only) of the Notes, upon not more than sixty (60) calendar days' nor less than thirty (30) calendar days' notice of redemption given to the Transaction Security Trustee, to the Principal Paying Agent and, in accordance with Condition 13 (Form of Notices), to the Noteholders at their then aggregate outstanding Note Principal Amounts, together with accrued but unpaid interest (if any) to the date (which must be a Payment Date) fixed for redemption. Any such notice shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

7.7 Pre-Enforcement Priority of Payments

On each Payment Date prior to the occurrence of an Issuer Event of Default, the Available Distribution Amount as of the Cut-Off Date immediately preceding such Payment Date shall be applied in accordance with the following order of priorities (the **Pre-Enforcement Priority of Payments**)

first, to pay any obligation of the Issuer which is due and payable with respect to corporation and trade tax under any applicable law (if any);

second, to pay any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), expenses and other amounts due and payable to the Transaction Security Trustee under the Transaction Documents;

third, to pay *pari passu* with each other on a pro rata basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), expenses and other amounts due and payable to the Corporate Administrator under the Corporate Administration Agreement, the Data Trustee under the Data Trust Agreement, and the Account Bank under the Accounts Agreement, any amounts due and payable by the Issuer in connection with the establishment of the Issuer, and any other amounts due and payable or which are expected to fall due and payable by the Issuer in connection with the liquidation or dissolution (if applicable) of the Issuer or any other fees, costs and expenses, and a reserved profit of the Issuer of up to EUR500 annually;

fourth, to pay *pari passu* with each other on a pro rata basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the legal advisers or auditors of the Issuer, the Rating Agencies (including any ongoing monitoring fees), the Principal Paying Agent, the Cash Administrator and the Calculation Agent under the Agency Agreement, the Manager under the Subscription Agreement (excluding any commissions and concessions which are payable to the Manager under the Subscription Agreement on the Note Issuance Date and which are to be paid by the Issuer by applying the funds disbursed to it under the Funding Loan), the relevant stock exchange on which the Notes may be listed, any listing agent, any intermediary between the Issuer, the Noteholders and the relevant stock exchange, the Common Safekeepers and any other relevant party with respect to the issue of the Notes;

fifth, to pay *pari passu* with each other on a pro rata basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the Servicer under the Servicing Agreement or otherwise, and any such amounts due and payable to any substitute servicer or back-up servicer (including any expenses, costs and fees incurred in the course of replacement) for the Purchased Receivables and the Related Collateral which may be appointed from time to time in accordance with the Receivables Purchase Agreement or the Servicing Agreement and any such costs and expenses incurred by the Issuer itself in the event that the Issuer collects and/or services the Purchased Receivables or the Related Collateral;

sixth, to pay Class A Notes Interest due and payable on such Payment Date pro rata on each Class A Note;

seventh, if no Principal Deficiency Trigger Event has occurred, to pay Class B Notes Interest due and payable on such Payment Date pro rata on each Class B Note;

eighth, during the Replenishment Period, to pay the purchase price payable in accordance with the Receivables Purchase Agreement for any Additional Receivables purchased on such Payment Date, but only up to the Replenishment Available Amount;

ninth, during the Replenishment Period, to credit the Purchase Shortfall Account with the Purchase Shortfall Amount occurring on such Payment Date;

tenth, during the Replenishment Period, to credit to the Reserve Fund with effect as from such Payment Date up to the Required Reserve Amount;

eleventh, after the expiration of the Replenishment Period and unless such Payment Date falls on a Servicer Disruption Date, to credit to the Reserve Fund with effect as from such Payment Date up to the Required Reserve Amount;

twelfth, after the expiration of the Replenishment Period, to pay any Class A Notes Principal as of such Cut-Off Date, pro rata on each Class A Note, but only until the Class A Principal Amount following such payment is equal to the Class A Target Principal Amount;

thirteenth, upon the occurrence of a Principal Deficiency Trigger Event, to pay Class B Notes Interest due and payable on such Payment Date pro rata on each Class B Note;

fourteenth, after the expiration of the Replenishment Period and after the Class A Notes have been redeemed in full, to pay any Class B Notes Principal as of such Cut-Off Date, pro rata on each Class B Note, but only until the Class B Principal Amount following such payment is equal to the Class B Target Principal Amount;

fifteenth, unless the Payment Date falls on a Servicer Disruption Date, after a Commingling Reserve Trigger Event has occurred, to credit to the Commingling Reserve Account with effect as from such Payment Date up to the amount of the Commingling Reserve Amount as of such Cut-Off Date;

sixteenth, unless the Payment Date falls on a Servicer Disruption Date, after a Set-Off Reserve Trigger Event has occurred, to credit to the Set-Off Reserve Account with effect as from such Payment Date up to the amount of the Set-Off Reserve Amount as of such Cut-Off Date;

seventeenth, unless the Payment Date falls on a Servicer Disruption Date, to pay first, interest (including accrued interest) due and payable under the Subordinated Loan Agreement and thereafter, outstanding principal under the Subordinated Loan Agreement in the event of any reduction of the Required Reserve Amount in accordance with the provisions of the Receivables Purchase Agreement, in an amount (if any) which is equal to the difference between the Required Reserve Amount as of the Cut-Off Date immediately preceding such Cut-Off Date and the Required Reserve Amount as of such Cut-Off Date, but in no event more than the difference between the actual credit then standing to the Reserve Fund as of such Cut-Off Date and the Required Reserve Amount as of such Cut-Off Date (and if such difference is negative, it shall be deemed to be zero);

eighteenth, unless the Payment Date falls on a Servicer Disruption Date, to pay any amounts owed by the Issuer to the Seller due and payable under the Receivables Purchase Agreement in respect of (a) any valid return of a direct debit (*Lastschriftückbelastung*) (to the extent such returns do not reduce the Collections for the Collection Period ending on such Cut-Off Date), (b) any tax credit, relief,

remission or repayment received by the Issuer on account of any tax or additional amount paid by the Seller or (c) any Deemed Collection paid by the Seller for a Disputed Receivable which proves subsequently with *res judicata* (*rechtskräftig festgestellt*) to be an enforceable Purchased Receivable, or otherwise (including, for the avoidance of doubt, any claims of the Seller against the Issuer for breach of obligation) under the Receivables Purchase Agreement or other Transaction Documents; and

nineteenth, unless the Payment Date falls on a Servicer Disruption Date, to pay, prior to the occurrence of a Termination Event, any remaining amount to the Seller in accordance with the Receivables Purchase Agreement,

provided that any payment to be made by the Issuer under items *first* to *fifth* (inclusive) with respect to taxes shall be made on the Business Day on which such payment is then due and payable using any amounts then credited to the Transaction Account and, if applicable, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account.

8. Notifications

The Principal Paying Agent shall notify the Issuer, the Corporate Administrator, the Cash Administrator, the Transaction Security Trustee and, on behalf of the Issuer, by means of notification in accordance with Condition 13 (Form of Notices), the Noteholders, and so long as any of the Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the official list of the Luxembourg Stock Exchange, the Luxembourg Stock Exchange and the Luxembourg Intermediary and if any Notes are listed on any other stock exchanges, such stock exchange:

- (a) with respect to each Payment Date, of the Interest Amount pursuant to Condition 6.1 (Interest Calculation);
- (b) with respect to each Payment Date, of the amount of Interest Shortfall pursuant to Condition 6.5 (Interest Shortfall), if any;
- (c) with respect to each Payment Date falling on a date after the expiration of the Replenishment Period, of the amount of principal on each Class A Note and each Class B Note pursuant to Condition 7 (Redemption) to be paid on such Payment Date and, if applicable, that such Payment Date constitutes a Servicer Disruption Date;
- (d) with respect to each Payment Date falling on a date after the expiration of the Replenishment Period, of the Note Principal Amount of each Class A Note and each Class B Note and the Class A Principal Amount and the Class B Principal Amount as from such Payment Date; and
- (e) in the event the payments to be made on a Payment Date constitute the final payment with respect to Notes pursuant to Condition 7.4 (Legal Maturity Date), Condition 7.5 (Early Redemption) or Condition 7.6 (Optional Redemption for Taxation Reasons), of the fact that such is the final payment.

In each case, such notification shall be made by the Principal Paying Agent on the Interest Determination Date preceding the relevant Payment Date.

9. Agents; Luxembourg Intermediary; Determinations Binding

- 9.1 The Issuer has appointed (a) The Bank of New York Mellon, London Branch, as principal paying agent (in such capacity, or any successor or substitute appointed with such capacity, the **Principal Paying Agent**), (b) The Bank of New York Mellon (Luxembourg) S.A. as the initial Luxembourg intermediary (or any successor or substitute appointed with such capacity, the **Luxembourg Intermediary**), and (c) The Bank of New York Mellon, London Branch as cash administrator (in such capacity, or any

successor or substitute appointed with such capacity, the **Cash Administrator**) and as calculation agent (in such capacity, the **Calculation Agent** and each of the Principal Paying Agent, the Calculation Agent and the Cash Administrator, an **Agent**).

- 9.2 The Issuer shall procure that for as long as any Notes are outstanding there shall always be a Principal Paying Agent, a Calculation Agent and a Cash Administrator to perform the functions assigned to it in these Terms and Conditions. The Issuer may at any time, by giving not less than thirty (30) calendar days' notice by publication in accordance with Condition 13 (Form of Notices), replace any of the Agents by one or more banks or other financial institutions or other suitable service providers which assume such functions, *provided that* (a) the Issuer shall maintain at all times a paying agent having a specified office in the European Union for as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and (b) no paying agent located in the United States of America will be appointed. Each of the Agents and the Luxembourg Intermediary shall act solely as agents for the Issuer and shall not have any agency or trustee relationship with the Noteholders. The Issuer shall procure that for so long as any Notes are listed on the official list of the Luxembourg Stock Exchange, there shall be a Luxembourg Intermediary.
- 9.3 All Interest Amounts determined and other calculations and determinations made by the Principal Paying Agent for the purposes of these Terms and Conditions shall, in the absence of manifest error, be final and binding.

10. Taxes

Payments shall only be made by the Issuer after the deduction and withholding of current or future taxes, levies or governmental charges, regardless of their nature, which are imposed, levied or collected (collectively, **taxes**) under any applicable system of law or in any country which claims fiscal jurisdiction by, or for the account of, any political subdivision thereof or government agency therein authorised to levy taxes, to the extent that such deduction or withholding is required by law or by agreement with the U.S. Internal Revenue Service entered into pursuant to FATCA. The Issuer shall account for the deducted or withheld taxes with the competent government agencies and shall, upon request of a Noteholder, provide proof thereof. The Issuer is not obliged to pay any additional amounts as compensation for taxes.

11. Substitution of the Issuer

- 11.1 If, in the determination of the Issuer and the reasonable opinion of the Transaction Security Trustee (who may rely on one or more legal opinions from reputable law firms), as a result of any enactment of or supplement or amendment to, or change in, the laws of any relevant jurisdiction or as a result of an official communication of previously not existing or not publicly available official interpretation, or a change in the official interpretation, implementation or application of such laws that becomes effective on or after the Note Issuance Date:
- (a) any of the Issuer, the Seller or the Servicer would, for reasons beyond its control, and after taking reasonable measures (such measures not involving any material additional payment or other expenses), be materially restricted from performing any of its obligations under the Notes or the other Transaction Documents to which it is a party; or
 - (b) any of the Issuer, the Seller or the Servicer would, for reasons beyond its control, and after taking reasonable measures (such measures not involving any material additional payment or other expenses), (i) be required to make any tax withholding or deduction in respect of any payments on the Notes and/or the other Transaction Documents to which it is a party or (ii) would not be entitled to relief for tax purposes for any amount which it is obliged to pay, or would be treated as receiving for tax purposes an amount which it is not entitled to receive, in each case under the Notes or the other Transaction Documents;

then the Issuer shall inform the Transaction Security Trustee accordingly and shall, in order to avoid the relevant event described in paragraph (a) or (b) above, use its reasonable endeavours to arrange the substitution of the Issuer with a company incorporated in another jurisdiction in accordance with Condition 11.2 or to effect any other measure suitable to avoid the relevant event described in paragraph (a) or (b) above.

11.2 The Issuer is entitled to substitute in its place another company (the **New Issuer**) as debtor for all obligations arising under and in connection with the Notes only subject to the provisions of Condition 11.1 and the following conditions:

- (a) the New Issuer assumes all rights and duties of the Issuer under or pursuant to the Notes and the Transaction Documents by means of an agreement with the Issuer and/or the other parties to the Transaction Documents, and that the Note Collateral created in accordance with Condition 3.1 (Security) is held by the Transaction Security Trustee for the purpose of securing the obligations of the New Issuer upon the Issuer's substitution;
- (b) no additional expenses or legal disadvantages of any kind arise for the Noteholders from such assumption of debt and the Issuer has obtained a tax opinion to this effect from a reputable tax lawyer in the relevant jurisdiction which can be examined at the offices of the Principal Paying Agent;
- (c) the New Issuer provides proof satisfactory to the Transaction Security Trustee that it has obtained all of the necessary governmental approvals in the jurisdiction in which it has its registered address and that it is permitted to fulfil all of the obligations arising under or in connection with the Notes without discrimination against the Noteholders in their entirety;
- (d) the Issuer and the New Issuer enter into such agreements and execute such documents necessary for the effectiveness of the substitution; and
- (e) each Rating Agency has been notified of such substitution.

Upon fulfilment of the aforementioned conditions, the New Issuer shall in every respect substitute the Issuer and the Issuer shall, vis-à-vis the Noteholders, be released from all obligations relating to the function of issuer under or in connection with the Notes.

11.3 Notice of such substitution of the Issuer shall be given in accordance with Condition 13 (Form of Notices).

11.4 In the event of such substitution of the Issuer, each reference to the Issuer in these Terms and Conditions shall be deemed to be a reference to the New Issuer.

12. Resolutions of Noteholders

12.1 The Noteholders of any Class may agree by majority resolution to amend these Terms and Conditions, *provided that* no obligation to make any payment or render any other performance shall be imposed on any Noteholder by majority resolution.

12.2 Majority resolutions shall be binding on all Noteholders of the relevant Class. Resolutions which do not provide for identical conditions for all Noteholders of relevant Class are void, unless the Noteholders of such Class who are disadvantaged have expressly consented to their being treated disadvantageously.

12.3 Noteholders of any Class may in particular agree by majority resolution in relation to such Class to the following:

- (a) the change of the due date for payment of interest, the reduction, or the cancellation, of interest;
- (b) the change of the due date for payment of principal;
- (c) the reduction of principal;
- (d) the subordination of claims arising from the Notes of such Class in insolvency proceedings of the Issuer;
- (e) the conversion of the Notes of such Class into, or the exchange of the Notes of such Class for, shares, other securities or obligations;
- (f) the exchange or release of security;
- (g) the change of the currency of the Notes of such Class;
- (h) the waiver or restriction of Noteholders' rights to terminate the Notes of such Class;
- (i) the substitution of the Issuer;
- (j) the appointment or removal of a common representative for the Noteholders of such Class; and
- (k) the amendment or rescission of ancillary provisions of the Notes.

12.4 Resolutions shall be passed by simple majority of the votes cast. Resolutions relating to material amendments to these Terms and Conditions, in particular to provisions relating to the matters specified in Condition 12 (Resolutions of Noteholders) 12.3 items (a) through (j) above, require a majority of not less than 75% of the votes cast (a **qualified majority**).¹

12.5 Noteholders of the relevant Class shall pass resolutions by vote taken without a meeting.

12.6 Each Noteholder participating in any vote shall cast votes in accordance with the nominal amount or the notional share of its entitlement to the outstanding Notes of the relevant Class. As long as the entitlement to the Notes of the relevant Class lies with, or the Notes of the relevant Class are held for the account of, the Issuer or any of its affiliates (§ 271(2) of the German Commercial Code (*Handelsgesetzbuch*)), the right to vote in respect of such Notes shall be suspended. The Issuer may not transfer Notes, of which the voting rights are so suspended, to another person for the purpose of exercising such voting rights in the place of the Issuer; this shall also apply to any affiliate of the Issuer. No person shall be permitted to exercise such voting right for the purpose stipulated in sentence 3, first half sentence, herein above.

12.7 No person shall be permitted to offer, promise or grant any benefit or advantage to another person entitled to vote in consideration of such person abstaining from voting or voting in a certain way.

12.8 A person entitled to vote may not demand, accept or accept the promise of, any benefit, advantage or consideration for abstaining from voting or voting in a certain way.

¹ The list of matters specified in Condition 12.3 (a) through (k) corresponds to the statutory list set out in § 5 (3) nos. 1-9 of the German Act on Debt Securities (*Schuldverschreibungsgesetz*). For all of the matters specified in § 5 (3) nos. 1-9 of the German Act on Debt Securities (*Schuldverschreibungsgesetz*) only a majority of 75% or more is permitted.

12.9 The Noteholders of any Class may by qualified majority resolution appoint a common representative (*gemeinsamer Vertreter*) (the **Noteholders' Representative**) to exercise rights of the Noteholders of such Class on behalf of each Noteholder. Any natural person having legal capacity or any qualified legal person may act as Noteholders' Representative. Any person who:

- (a) is a member of the management board, the supervisory board, the board of directors or any similar body, or an officer or employee, of the Issuer or any of its affiliates;
- (b) holds an interest of at least 20% in the share capital of the Issuer or of any of its affiliates;
- (c) is a financial creditor of the Issuer or any of its affiliates, holding a claim in the amount of at least 20% of the outstanding Notes of such Class, or is a member of a corporate body, an officer or other employee of such financial creditor; or
- (d) is subject to the control of any of the persons set forth in subparagraphs (a) to (c) above by reason of a special personal relationship with such person,

must disclose the relevant circumstances to the Noteholders of such Class prior to being appointed as a Noteholders' Representative. If any such circumstances arise after the appointment of a Noteholders' Representative, the Noteholders' Representative shall inform the Noteholders of the relevant Class promptly in appropriate form and manner.

If the Noteholders of different Classes appoint a Noteholders' Representative, such person may be the same person as is appointed Noteholders' Representative of such other Class.

12.10 The Noteholders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Noteholders of the relevant Class. The Noteholders' Representative shall comply with the instructions of the Noteholders of the relevant Class. To the extent that the Noteholders' Representative has been authorized to assert certain rights of the Noteholders of the relevant Class, the Noteholders of such Class shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Noteholders' Representative shall provide reports to the Noteholders of the relevant Class on its activities.

12.11 The Noteholders' Representative shall be liable for the performance of its duties towards the Noteholders of the relevant Class who shall be joint and several creditors (*Gesamtgläubiger*); in the performance of its duties it shall act with the diligence and care of a prudent business manager. The liability of the Noteholders' Representative may be limited by a resolution passed by the Noteholders of the relevant Class. The Noteholders of the relevant Class shall decide upon the assertion of claims for compensation of the Noteholders of such Class against the Noteholders' Representative.

12.12 Each Noteholders' Representative may be removed from office at any time by the Noteholders of the relevant Class without specifying any reasons. Each Noteholders' Representative may demand from the Issuer to furnish all information required for the performance of the duties entrusted to it. The Issuer shall bear the costs and expenses arising from the appointment of each Noteholders' Representative, including reasonable remuneration of such Noteholders' Representative.

13. Form of Notices

13.1 All notices to the Noteholders hereunder shall be either (a) delivered to Euroclear and Clearstream Luxembourg for communication by it to the Noteholders or (b) made available for a period of not less than thirty (30) calendar days but in any case only as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange on the following website: www.bourse.lu.

- 13.2 Any notice referred to under Condition 13.1(a) above shall be deemed to have been given to all Noteholders on the seventh (7th) calendar day after the day on which such notice was delivered to Euroclear and Clearstream Luxembourg. Any notice referred to under Condition 13.1(b) above shall be deemed to have been given to all Noteholders on the day on which it is made available on the website, *provided that* if so made available after 4:00 p.m. (Frankfurt time) it shall be deemed to have been given on the immediately following calendar day.
- 13.3 If any Notes are listed on any stock exchange other than the Luxembourg Stock Exchange, all notices to the Noteholders shall be published in a manner conforming to the rules of such stock exchange. Any notice shall be deemed to have been given to all Noteholders on the date of such publication conforming to the rules of such stock exchange.

14. Miscellaneous

14.1 Presentation Period

The presentation period for the Global Notes provided in § 801(1), first sentence, of the German Civil Code (*Bürgerliches Gesetzbuch*) shall end five years after the Legal Maturity Date.

14.2 Replacement of Global Notes

If any of the Global Notes is lost, stolen, damaged or destroyed, it may be replaced by the Issuer upon payment by the claimant of the costs arising in connection therewith. As a condition of replacement, the Issuer may require the fulfilment of certain conditions, the provision of proof regarding the existence of indemnification and/or the provision of adequate collateral. In the event of any of the Global Notes being damaged, such Global Note shall be surrendered before a replacement is issued. If any Global Note is lost or destroyed, the foregoing shall not limit any right to file a petition for the annulment of such Global Note pursuant to the provisions of the laws of Germany.

14.3 Governing Law

The form and content of the Notes and all of the rights and obligations (including any non-contractual obligation) of the Noteholders and the Issuer under the Notes shall be governed in all respects by the laws of Germany.

14.4 Jurisdiction

The non-exclusive place of jurisdiction for any action or other legal proceedings arising out of or in connection with the Notes shall be the District Court (*Landgericht*) in Frankfurt am Main. The Issuer hereby submits to the jurisdiction of such court. The German courts shall have exclusive jurisdiction over the annulment of the Global Notes in the event of their loss or destruction.

CERTAIN DEFINITIONS

Account shall mean any of the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account, the Purchase Shortfall Account and any other bank account specified as such by or on behalf of the Issuer or the Transaction Security Trustee in the future in addition to, or in replacement of, the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account in accordance with the Accounts Agreement and the Transaction Security Agreement (together, the **Accounts**);

Account Bank shall mean The Bank of New York Mellon, Frankfurt Branch, Messeturm, Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany, as well as any successor thereof or any other person appointed as Account Bank in accordance with the Accounts Agreement and the Transaction Security Agreement from time to time as the bank with whom the Issuer holds the Accounts, and any reference to the Account Bank shall include any successor thereof;

Accounts Agreement shall mean an agreement dated on or about 21 April 2015, as amended or amended and restated from time to time, entered into between the Issuer, the Account Bank, the Transaction Security Trustee and the Corporate Administrator in relation to the Accounts;

Additional Receivable shall mean any Purchased Receivable which is sold and assigned or purported to be assigned to the Issuer in accordance with the Receivables Purchase Agreement during the Replenishment Period;

Adverse Claim shall mean any ownership interest, lien, security interest, charge or encumbrance, or other right or claim in, over or on any person's assets or properties in favour of any other person;

Aggregate Outstanding Note Principal Amount shall mean, in respect of all Notes at any time, the aggregate of the Note Principal Amounts of all Notes;

Aggregate Outstanding Principal Amount shall mean, in respect of all Purchased Receivables at any time, the aggregate of the Outstanding Principal Amounts of all Purchased Receivables which, as of such time, are not Defaulted Receivables;

Available Distribution Amount shall mean with respect to any Cut-Off Date and the Collection Period ending on such Cut-Off Date, an amount calculated by the Servicer pursuant to the Servicing Agreement as of such Cut-Off Date and notified to the Issuer, the Corporate Administrator, the Calculation Agent, the Principal Paying Agent, the Cash Administrator and the Transaction Security Trustee not later than on the second (2nd) Business Day after such Cut-Off Date (or, if the Servicer fails to calculate such amount, the amount calculated by the Cash Administrator with respect to such Cut-Off Date on the basis of the information available to the Cash Administrator at that time (for the avoidance of doubt, the Cash Administrator shall not be obliged to request such information from any party to the Transaction Documents (other than the Calculation Agent as long as the Cash Administrator and the Calculation Agent are the same entity) or any other third party) and notified to the Issuer, the Corporate Administrator, the Principal Paying Agent, the Calculation Agent and the Transaction Security Trustee not later than on the fourth (4th) Business Day preceding the Payment Date following such Cut-Off Date), as the sum of:

- (a) the amounts standing to the credit of the Reserve Fund as of such Cut-Off Date, *provided that*, such amounts shall only be applied on any Payment Date towards items *first* to *seventh* (inclusive) of the Pre-Enforcement Priority of Payments;
- (b) any Collections (including, for the avoidance of doubt, Deemed Collections paid by the Seller or (if different) the Servicer) received by the Issuer from the Seller or (if different) the Servicer during the Collection Period ending on such Cut-Off Date;

- (c) (i)(A) any stamp duty, registration and other similar taxes, (B) any taxes levied on the Issuer and any relevant parties involved in the financing of the Issuer due to the Issuer and such parties having entered into the Receivables Purchase Agreement, the other Transaction Documents or other agreements relating to the financing of the acquisition by the Issuer of the Purchased Receivables, (C) any liabilities, costs, claims and expenses which arise from the non-payment or the delayed payment of any taxes specified under (B) above, except for those penalties and interest charges which are attributable to the gross negligence of the Issuer, and (D) any additional amounts corresponding to sums which the Seller is required to deduct or withhold for or on account of tax with respect to all payments made by the Seller to the Issuer under the Receivables Purchase Agreement, in each case paid by the Seller pursuant to the Receivables Purchase Agreement, and (ii) any taxes, increased costs and other amounts, in each case, paid by the Seller to the Issuer pursuant to the Receivables Purchase Agreement (other than any Transaction Cost Fee) and any taxes, increased costs and other amounts paid by the Servicer to the Issuer pursuant to the Servicing Agreement, in each case as collected during such Collection Period;
- (d) (i)(A) any default interest on unpaid sums due by the Seller to the Issuer and (B) indemnities against any loss or expense, including legal fees, incurred by the Issuer as a consequence of any default of the Seller, in each case paid by the Seller to the Issuer pursuant to the Receivables Purchase Agreement and (ii) any default interest and indemnities paid by the Servicer to the Issuer pursuant to the Servicing Agreement, in each case as collected during such Collection Period;
- (e) any other amounts paid by the Seller to the Issuer under or with respect to the Receivables Purchase Agreement (other than any Transaction Cost Fee) or the Purchased Receivables or the Related Collateral and any other amounts paid by the Servicer to the Issuer under or with respect to the Servicing Agreement, the Purchased Receivables or the Related Collateral, in each case as collected during such Collection Period;
- (f) any interest earned (if any) on any balance credited to the Transaction Account during such Collection Period;
- (g) the amounts (if any) standing to the credit of the Commingling Reserve Account (excluding, for the avoidance of doubt, any interest earned on any balance credited to the Commingling Reserve Account), but only to the extent necessary for the fulfilment on the relevant Payment Date of the payment obligations of the Issuer under items *first to fourteenth* (inclusive) of the Pre- Enforcement Priority of Payments (but excluding any fees and other amounts due to the Seller in its capacity as Servicer under item *fifth* of the Pre-Enforcement Priority of Payments), provided, however, that such amounts shall only be included in the Available Distribution Amount if and to the extent that the Seller or (if different) the Servicer have, as of the relevant Payment Date, failed to transfer to the Issuer any Collections (other than Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections) received or payable by the Seller or (if different) the Servicer (x) during, or with respect to, the Collection Period ending on the Cut-Off Date immediately preceding the relevant Payment Date, (y) during, or with respect to, previous Collection Periods for which the relevant amounts have not been included in the Available Distribution Amount previously or (z) if the Servicer is either overindebted (*überschuldet*) or unable to pay its debts (*zahlungsunfähig*) or the inability of the Servicer to pay its debts is imminent (*drohende Zahlungsunfähigkeit*) or if any measures under Section 21 of the German Insolvency Code or under Sections 45, 46 or 46b of the German Banking Act (*Gesetz über das Kreditwesen*) are taken in respect of the Servicer;
- (h) the amounts (if any) standing to the credit of the Set-Off Reserve Account (excluding, for the avoidance of doubt, any interest earned on any balance credited to the Set-Off Reserve Account), but only to the extent necessary for the fulfilment on the relevant Payment Date of the payment obligations of the Issuer under items *first to fourteenth* (inclusive) of the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Seller in its capacity as Servicer under item *fifth* of the Pre-Enforcement Priority of Payments), provided, however, that such amounts shall only be

included in the Available Distribution Amount if and to the extent that (i) any amounts that would otherwise have to be transferred to the Issuer as Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections for the Collection Period ending on the relevant Cut-Off Date, or with respect to previous Collection Periods for which the relevant amounts have not been included in the Available Distribution Amount previously, were not received by the Issuer as a result of any of the actions described in item (B)(i) of the definition of Deemed Collections, and (ii) the Issuer does not have a right of set-off against the Seller or (if different) the Servicer with respect to such amounts on the relevant Payment Date;

- (i) the amounts (if any) standing to the credit of the Purchase Shortfall Account (including any interest earned thereon);
- (j) the amounts (if any) standing to the credit of the Transaction Account which would have been distributed as Available Distribution Amount on any Payment Date prior to such Cut-Off Date, but were not distributed due to such Payment Date falling on a Servicer Disruption Date or the prior occurrence of a Termination Event; and
- (k) any amount (other than covered by (a) through (j) above) (if any) paid to the Issuer by any other party to any Transaction Document (other than the Funding Loan Agreement) up to (and including) the Payment Date immediately following such Cut-Off Date, unless otherwise specified, which according to such Transaction Document is to be allocated to the Available Distribution Amount;

Beneficiary shall mean each of the Noteholders, the Principal Paying Agent, the Calculation Agent, the Cash Administrator, the Account Bank, the Transaction Security Trustee, the Data Trustee, the Corporate Administrator, the Seller, the Servicer, the Subordinated Loan Provider and any other party acceding to the Transaction Security Agreement as Replacement Beneficiary pursuant to Clause 40 (Accession of Replacement Beneficiaries) of the Transaction Security Agreement and any successor, assignee, transferee or replacement thereof;

Class A Noteholder shall mean a holder of Class A Notes;

Class A Notes Principal shall mean the aggregate principal amount payable in respect of all Class A Notes on any date;

Class A Principal Amount shall mean, as of any date, the sum of the Note Principal Amounts of all Class A Notes;

Class A Target Principal Amount shall mean:

- (a) as of any Payment Date which does not fall on a Servicer Disruption Date, (i) if a Principal Deficiency Trigger Event does not occur, the excess (if any) of (A) the Aggregate Outstanding Principal Amount (as calculated by the Servicer) as of the Cut-Off Date immediately preceding such Payment Date over (B) the Class B Principal Amount outstanding as of the Cut-Off Date immediately preceding such Payment Date, as calculated by the Calculation Agent, or (ii) if a Principal Deficiency Trigger Event has occurred as of such Payment Date, zero; or
- (b) as of any Payment Date falling on a Servicer Disruption Date, an amount equal to the Class A Principal Amount outstanding as of the Cut-Off Date immediately preceding such Payment Date, as calculated by the Calculation Agent;

Class B Noteholder shall mean a holder of Class B Notes;

Class B Notes Principal shall mean the aggregate principal amount payable in respect of all Class B Notes on any date;

Class B Principal Amount shall mean, as of any date, the sum of the Note Principal Amounts of all Class B Notes;

Class B Target Principal Amount shall mean:

- (a) as of any Payment Date falling on or after the date on which all Class A Notes have been redeemed in full, but not falling on a Servicer Disruption Date, (i) if a Principal Deficiency Trigger Event does not occur, the Aggregate Outstanding Principal Amount (as calculated by the Servicer) as of the Cut-Off Date immediately preceding such Payment Date, or (ii) if a Principal Deficiency Trigger Event has occurred as of such Payment Date, zero; or
- (b) as of any Payment Date falling on or after the date on which all Class A Notes have been redeemed in full and falling on a Servicer Disruption Date, the Class B Principal Amount outstanding as of the Cut-Off Date immediately preceding such Payment Date, as calculated by the Calculation Agent;

Class Principal Amount shall mean each of the Class A Principal Amount and the Class B Principal Amount;

Class Target Principal Amount shall mean either of the Class A Target Principal Amount or the Class B Target Principal Amount;

Collateral shall mean the Issuer's rights and claims which are assigned, transferred and pledged for security purposes of pursuant to Clause 5 (Transfer for Security Purposes of the Assigned Security) and Clause 6 (Transaction Security Trustee Pledge) of the Transaction Security Agreement together with the Assigned Security;

Collection Period shall mean, in relation to any Cut-Off Date, the period commencing on (but excluding) the Cut-Off Date immediately preceding such Cut-Off Date and ending on (and including) such Cut-Off Date, and with respect to the first Payment Date the period commencing on (but excluding) 31 March 2015 and ending on (and including) 30 April 2015;

Collections shall mean, with respect to any Purchased Receivable and any Related Collateral, all cash collections, finance, interest, late payment or similar charges and other cash proceeds of such Purchased Receivable or other amounts received or recovered in respect thereof, including, without limitation, all proceeds from any loss compensation insurance policies (*Ratenschutzversicherung*), all proceeds from insurance policies relating to the Financed Vehicles or otherwise entered into in connection with the financing of the acquisition of the Financed Vehicles, all cash proceeds of any Related Collateral, any proceeds from the sale of Defaulted Receivables (together with the relevant Related Collateral) received by the Servicer on behalf of the Issuer from any third party and any participation in extraordinary profits (*Mehrerlösbeteiligungen*) after realisation of the Related Collateral to which the Issuer is entitled under the relevant Loan Contract, in each case which is irrevocable and final (*provided that* any direct debit (*Lastschriftinzug*) shall constitute a Collection irrespective of any subsequent valid return thereof (*Lastschriftückbelastung*)), and any Deemed Collections of such Purchased Receivable less any amount previously received but required to be repaid on account of a valid return of a direct debit (*Lastschriftückbelastung*), *provided that*, for the avoidance of doubt, any Collection which is less than the amount then outstanding and due from the relevant Debtor shall be applied in accordance with Sections 366 et seqq. of the German Civil Code (*Bürgerliches Gesetzbuch*);

Commingling Required Rating means, with respect to any entity, that the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB (or its replacement) by S&P and such rating has not been withdrawn;

Commingling Reserve Account shall mean the bank account with the account number 749 443 9711 and IBAN DE22503303007494439711 held in the name of the Issuer at the Account Bank, as well as any other bank accounts specified as such by or on behalf of the Issuer or the Transaction Security Trustee in the future in addition to or as substitute for such Commingling Reserve Account in accordance with the Accounts Agreement

and the Transaction Security Agreement, to which the Seller shall transfer the Commingling Reserve Amount following the occurrence of a Commingling Reserve Trigger Event and if the balance credited to the Commingling Reserve Account as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event is less than the Commingling Reserve Amount as calculated as of such Cut-Off Date, taking into account any amounts to be credited to the Commingling Reserve Account on the immediately following Payment Date pursuant to the Pre-Enforcement Priority of Payments, an amount equal to such shortfall as determined as of such Cut-Off Date;

Commingling Reserve Amount means, (a) as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event, an amount equal to the sum of (i) the amount of the Scheduled Collections for the period from the beginning of the Collection Period immediately following the relevant Cut-Off Date to the last Business Day of the second Collection Period after the relevant Cut-Off Date (both inclusive) and (ii) 2% of the Aggregate Outstanding Note Principal Amount as of the relevant Cut- Off Date or (b) if as of any Cut-Off Date no Commingling Reserve Trigger Event has occurred, zero;

Commingling Reserve Excess Amount means, as of any Payment Date, the excess of the amounts standing to the credit of the Commingling Reserve Account over the Commingling Reserve Amount on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with item (g) of the definition of the Available Distribution Amount.

A **Commingling Reserve Trigger Event** will have occurred if, at any time, (a) Santander Consumer Finance, S.A. ceases to have the Commingling Required Rating or (b) Santander Consumer Finance, S.A. ceases to own, directly or indirectly, at least 60 % of the share capital of the Seller, unless in each case of (a) and (b), the Seller has at least the Commingling Required Rating;

Corporate Administration Agreement shall mean a corporate administration agreement dated on or about 21 April 2015, as amended or amended and restated from time to time, entered into between the Corporate Administrator and the Issuer;

Corporate Administrator shall mean SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany, as administrator or any successor thereof or any other person appointed as replacement corporate administrator from time to time in accordance with the Corporate Administration Agreement;

Credit and Collection Policy shall mean the credit and collection policies and practices as applied by the Seller and as set out in Appendix D (*Credit and Collection Policy*) to the Terms and Conditions (**Appendix D**);

Cumulative Loss Ratio shall mean, in respect of each Collection Period, the ratio (expressed as a percentage) of (a) the sum of (i) the Aggregate Outstanding Principal Amount of all Purchased Receivables which have become Defaulted Receivables during such Collection Period (net of recoveries) as determined in the Detailed Investor Report relating to such Collection Period (and set out under the item "Current Period Net Default" therein) and (ii) the aggregate principal amount (at the time of default) of all Purchased Receivables which became Defaulted Receivables prior to such Collection Period (net of recoveries and as set out in the Detailed Investor Report relating to the immediately previous Collection Period under the item "Cumulative Net Default") divided by (b) the sum of (i) the Aggregate Outstanding Principal Amount as at the end of such Collection Period (including for the avoidance of doubt the Outstanding Principal Amount of all Additional Receivables purchased by the Issuer during the relevant Collection Period) as determined in the Detailed Investor Report relating to such Collection Period and (ii) the aggregate original principal amount of all Purchased Receivables which were repaid by the respective Debtors since the Note Issuance Date;

Cut-Off Date shall mean the last day of each calendar month, and the Cut-Off Date with respect to each Payment Date is the Cut-Off Date immediately preceding such Payment Date and the first Cut-Off Date was 31 March 2015;

Data Trustee shall mean SFM Trustees GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany , any successor thereof or any other person appointed as Data Trustee from time to time in accordance with the Data Trust Agreement;

Data Trust Agreement shall mean the data trust agreement dated on or about 21 April 2015, as amended or amended and restated from time to time, entered into between the Issuer, the Data Trustee, the Seller and the Transaction Security Trustee;

Debtor shall mean each of the persons (including businesses and commercial customers) obliged to make payments under a Loan Contract (together, the **Debtors**);

Deemed Collection shall mean an amount equal to the sum of (a) the Outstanding Principal Amount of the affected portion of any Purchased Receivable if (i) such Purchased Receivable becomes a Disputed Receivable (irrespective of any subsequent court determination in respect thereof), (ii) the relevant Loan Contract proves not to have been legally valid, binding, enforceable and assignable as of the relevant Purchase Date and not to have been entered into with respect to a Financed Vehicle registered in Germany title to which was transferred by the relevant Debtor to the Seller as Related Collateral, (iii) the Related Collateral contemplated in the relevant Loan Contract proves not to have existed as of the relevant Purchase Date, (iv) the Issuer proves not to have acquired, upon the payment of the purchase price for such Purchased Receivable on the relevant Purchase Date, title to such Purchased Receivable and to the Related Collateral contemplated in the relevant Loan Contract free and clear of any Adverse Claim, (v) such Purchased Receivable proves not to have been an Eligible Receivable on the Purchase Date, (vi) such Purchased Receivable or Related Collateral contemplated in the relevant Loan Contract is deferred to a new maturity date falling on a date which is less than 12 months prior to the Legal Maturity Date or is deferred (other than in accordance with the Servicing Agreement or the Credit and Collection Policy, or with the prior approval of the Issuer), redeemed or otherwise modified (other than in accordance with the Servicing Agreement) (in each case other than an early termination of the relevant Loan Contract in accordance with the Credit and Collection Policy prior to the expiry date of the relevant Loan Contract as scheduled therein), or (vii) such Purchased Receivable or the relevant Related Collateral contemplated in the relevant Loan Contract otherwise did not exist in whole or partly prior to its sale and assignment to the Issuer or ceases to exist for any reason (including, without limitation, in the case of a termination of the Loan Contract following a request of the relevant Debtor for an exchange of the Financed Vehicle, but in any event other than by payment to the Servicer or the Issuer or because of a breach by the relevant Debtor of its payment obligations under the Loan Contract), and (b) any reduction of the Outstanding Principal Amount of any Purchased Receivable or any other amount owed by a Debtor due to (i) any set-off against the Seller due to a counterclaim of the Debtor or any set-off or equivalent action against the relevant Debtor by the Seller or (ii) any discount or other credit in favour of the Debtor, in each case as of the date of such reduction for such Purchased Receivable;

Defaulted Receivable shall mean, as of any date, any Purchased Receivable (which is not a Disputed Receivable) which has been declared due and payable in full (*insgesamt fällig gestellt*) in accordance with the Credit and Collection Policy;

Delinquent Receivable shall mean, as of any date, any Purchased Receivable (which is not a Disputed Receivable and not a Defaulted Receivable) which, as of such date, is more than thirty (30) days overdue;

Disputed Receivable shall mean any Purchased Receivable in respect of which payment is not made and disputed by the Debtor (other than where the Servicer has given written notice, specifying the relevant facts, to the Issuer that, in its reasonable opinion, such dispute is made because of the inability (*Bonitätsrisiko*) of the relevant Debtor to pay), whether by reason of any matter concerning the Financed Vehicles or by reason of any other matter or in respect of which a set-off or counterclaim is being claimed by such Debtor;

Early Amortisation Event shall mean the occurrence of any of the following events during the first thirty six (36) months after the Note Issuance Date:

- (a) the Cumulative Loss Ratio exceeds:
 - (i) 0.75% as of any Cut-Off Date prior to or on 31 March 2016 ;
 - (ii) 1.5% as of any Cut-Off Date prior to or on 31 March 2017; and
 - (iii) 2.25% as of any Cut-Off Date prior to or on 31 March 2018;
- (b) on three consecutive Cut-Off Dates, the amount standing to the credit of the Purchase Shortfall Account is higher than 10% of the initial aggregate Note Principal Amount of all Notes (such event a **Purchase Shortfall Event**);
- (c) as of any Payment Date, the initial Note Principal Amount of all Notes would, after the application of the Available Distribution Amount in accordance with the Pre-Enforcement Priority of Payments, exceed the sum of (i) the Aggregate Outstanding Principal Amount of all Purchased Receivables as of such Payment Date (including the Principal Amount of the Additional Receivables to be purchased on such Payment Date) and (ii) the amount standing to the credit of the Purchase Shortfall Account as of such Payment Date;
- (d) a Termination Event or a Servicer Termination Event;
- (e) the Seller has delivered a notice to the Issuer notifying the Issuer of its intention to end the Replenishment Period at least thirty (30) calendar days prior to the contemplated early amortization date which shall be a Payment Date (such Payment Date or, if applicable the Payment Date notified in such notice, the “**Replenishment Termination Option**”); or
- (f) the Restructured Loans Ratio exceeds 8% as of any Cut-Off Date;

Effective Interest Rate shall mean the higher of (a) the agreed interest rate to be paid by the relevant Debtors under the relevant Loan Contract with respect to the Outstanding Principal Amount as of the Cut- Off Date immediately preceding the relevant Purchase Date applicable to such Receivable and (b) the interest rate agreed between the Seller and the relevant car dealer, importer or manufacturer who has subsidised the financing of the Financed Vehicles under the relevant Loan Contract by paying an up-front subsidy to the Seller, in each case as such interest rate has been notified by the Seller to the Issuer in accordance with the Receivables Purchase Agreement;

Eligible Receivable shall mean any Receivable which meets the eligibility criteria specified in Appendix C to the Terms and Conditions;

Excess Portion shall mean, as of the Cut-Off Date immediately preceding any Offer Date, the portion by which the Outstanding Principal Amount of any Receivable offered by the Seller to the Purchaser on such Offer Date would, together with (a) the Aggregate Outstanding Principal Amount of all other Receivables offered by the Seller to the Purchaser on such Offer Date and (b) the Aggregate Outstanding Principal Amount of all Purchased Receivables as of the Cut-Off Date immediately preceding such Offer Date, exceed the Maximum Purchase Amount;

FATCA means Section 1471 through 1474 of the U.S. Internal Revenue Code (as the same may be amended from time to time) and any current or future regulations promulgated thereunder or official interpretations thereof;

Financed Vehicle shall mean any vehicle designated to be a passenger car, motorbike or camper/caravan pursuant to its German car certificate (*Fahrzeugbrief*), registration certificate part II (*Zulassungsbescheinigung Teil II*) or any equivalent documents located in Germany which is financed pursuant to the relevant Loan Contract;

Funding Loan Agreement shall mean the loan agreement dated on or about 21 April 2015 between the Issuer and the Funding Loan Provider;

Funding Loan Provider shall mean Santander Consumer Finance, S.A., Ciudad Grupo Santander, Avenida de Cantabria, s/n, 28660 Boadilla del Monte (Madrid), Spain, or any successor or assignee thereof;

Insurance Agreement shall mean any of (a) a Payment Protection Insurance (*Ratenschutzversicherung*), (b) a Santander Safe Insurance (*Santander Safe Versicherung*), (c) a Santander AutoCare Insurance (*Reparaturkostenversicherung*) and (d) any other insurance agreement entered into by the Seller as insurance policy holder (*Versicherungsnehmer*) in connection with the financing of the acquisition of a Financed Vehicle where the relevant Debtor is the insured person;

Interest Amount shall mean the amount of interest payable by the Issuer in respect of each Note on any Payment Date;

Interest Rate shall mean the interest rate payable on the Notes for each Interest Period, which is, (a) in the case of the Class A Notes, 0.978% per annum, and, (b) in the case of the Class B Notes, 2.167% per annum;

Interest Shortfall shall mean accrued interest not paid on any Payment Date related to the Interest Period in which it accrued with respect to the relevant Note;

International Central Securities Depository or **ICSD** shall mean each of the operator of the Euroclear System and Clearstream Banking, société anonyme;

Loan Contract shall mean any loan contract entered into between the Seller and any Debtor for the purpose of financing (a) the acquisition of a Financed Vehicle and (b) the contribution due and payable by the Debtor for accession to any Insurance Agreement in respect of the financing of the acquisition of such Financed Vehicle;

Loan Instalment shall mean any obligation of a Debtor under a Loan Contract to pay principal, interest, fees, costs, prepayment penalties (if any), and default interest owed under any relevant Loan Contract or any Related Collateral relating to any of the foregoing;

Luxembourg Stock Exchange means Société de la Bourse de Luxembourg with its registered address at 11, avenue de la Porte-Neuve, L-2227 Luxembourg;

Manager shall mean Raiffeisen Bank International AG, with its registered office at Am Stadtpark 9, 1030 Vienna, Austria;

Maximum Purchase Amount shall mean EUR700,000,000;

Monthly Report shall mean any monthly report substantially in the form (based on an Microsoft-Office template) as set out in a schedule to the Servicing Agreement or otherwise agreed between the Seller, the Servicer (if different) and the Issuer, which shall be prepared by the Servicer with respect to each Collection Period and delivered to the Issuer with a copy to the Corporate Administrator, the Cash Administrator, the Principal Paying Agent and the Calculation Agent at the latest on the second (2nd) Business Day after the Cut-Off Date on which the relevant Collection Period ends;

Note Collateral shall mean the Collateral;

Note Principal Amount of any Note as of any date shall equal the initial note principal amount of EUR 100,000 as reduced by all amounts paid prior to such date on such Note in respect of principal;

Outstanding Principal Amount shall mean, with respect to any Purchased Receivable, at any time the Principal Amount of such Purchased Receivable on the relevant Cut-Off Date less the amount of the principal

portion of the Collections received by the Issuer and applied to the Principal Amount of such Purchased Receivable in accordance with the Loan Contract, *provided that* Collections shall not be treated as received by the Issuer until credited to the Transaction Account;

Payment Protection Insurance (*Ratenschutzversicherung*) shall mean either (a) a life insurance (i) including an accident insurance (*Ratenschutz-Lebensversicherung mit Unfall-Zusatzversicherung*) entered into by a Debtor in respect of the financing of the acquisition of a Financed Vehicle by such Debtor by way of accession to a group insurance agreement (*Gruppenversicherungsvertrag*) between the Seller in its capacity as insurance policy holder and an insurer which covers the risk that such Debtor in its capacity as insured person is unable to pay the Loan Instalments owed by such Debtor under the relevant Loan Contract due to such Debtor (A) deceasing due to such Debtor falling victim to an accident or (B) deceasing due to other reasons and (ii) including a temporary disability insurance (*Arbeitsunfähigkeitsversicherung*) entered into by a Debtor who is not older than sixty (60) years at such time in respect of the financing of the acquisition of a Financed Vehicle by way of accession to a group insurance agreement (*Gruppenversicherungsvertrag*) between the Seller in its capacity as insurance policy holder and an insurer which covers the risk that such Debtor in its capacity as insured person is unable to pay the Loan Instalments owed by such Debtor under the relevant Loan Contract due to such Debtor becoming temporary disabled (*arbeitsunfähig*) or (b) an additional unemployment insurance (*Ratenschutz-Arbeitslosigkeitsversicherung*) entered into by a Debtor who is less than fifty-five (55) years old at such time in respect of the financing of the acquisition of a Financed Vehicle by way of accession to a group insurance agreement (*Gruppenversicherungsvertrag*) between the Seller in its capacity as insurance policy holder and an insurer which covers the risk that such Debtor in its capacity as insured person is unable to pay the Loan Instalments owed by such Debtor under the relevant Loan Contract due to such Debtor becoming unemployed; in each case (a) the accession of such Debtor to a group insurance agreement (*Gruppenversicherungsvertrag*) referring to a Payment Protection Insurance (*Ratenschutzversicherung*) between the Seller in its capacity as insurance policy holder is no precondition of the financing of the acquisition of a Financed Vehicle and (b) the contribution owed by the Debtor for accession to the Payment Protection Insurance is added to the Principal Amount owed by the Debtor as part of the Loan Instalments under the Loan Contract to which the Debtor is party;

Principal Amount shall mean, with respect to any Receivable, the aggregate principal amount of such Receivable which is scheduled to become due after the Cut-Off Date immediately preceding the Purchase Date;

Principal Deficiency Trigger Event shall have occurred if, as of any Payment Date (other than a Servicer Disruption Date), the Aggregate Outstanding Note Principal Amount as of such Payment Date would, on such Payment Date having given effect to the application of the Available Distribution Amount in accordance with the Pre-Enforcement Priority of Payments if a Principal Deficiency Trigger Event were not to occur on such date, exceed the sum of (a) the Aggregate Outstanding Principal Amount of the Purchased Receivables (including the Principal Amount of the Additional Receivables to be purchased on such Payment Date) plus (b) the amount standing to the credit of the Purchase Shortfall Account, as of such Payment Date by at least EUR 2,500,000;

Purchase Date shall mean, with respect to the purchase of the Receivables together with the Related Collateral by the Issuer from the Seller under the Receivables Purchase Agreement, the Note Issuance Date and each Payment Date thereafter which falls during the Replenishment Period;

Purchased Receivable shall mean any Receivable (including, for the avoidance of doubt, the Excess Portion of any Receivable and any Additional Receivable) which is sold and assigned or purported to be assigned to the Issuer in accordance with the Receivables Purchase Agreement;

Purchaser means the Issuer in its capacity as the purchaser of the Purchased Receivables under the Receivables Purchase Agreement;

Purchase Shortfall Account shall mean the bank account with the account number 749 443 9713 and IBAN DE65503303007494439713 held in the name of the Issuer at the Account Bank, as well as any other bank

accounts specified as such by or on behalf of the Issuer or the Transaction Security Trustee in the future in addition to or as substitute for such Purchase Shortfall Account in accordance with the Accounts Agreement and the Transaction Security Agreement, to which any Purchase Shortfall Amount shall be credited;

Purchase Shortfall Amount shall mean, on any Purchase Date, the excess, if any, of the Replenishment Available Amount over the aggregate purchase price payable in accordance with the Receivables Purchase Agreement for all Receivables purchased by the Purchaser on such Purchase Date;

Purchase Shortfall Event shall have occurred if, on three consecutive Cut-Off Dates, the amount standing to the credit of the Purchase Shortfall Account is higher than 10% of the initial aggregate Note Principal Amount of all Notes;

Rating Agencies shall mean Fitch Ratings Limited (Attn: Fitch Ratings Limited, 30 North Colonnade, London E14 5GN, United Kingdom, Email: abssurveillance@fitchratings.com or such other contact details as may be notified by FITCH to the Issuer from time to time) or its successor (**FITCH**), and Standard & Poor's Credit Market Services Europe Limited (Attn: Standard & Poor's Ratings Services, 20 Canada Square, London E14 5LH, United Kingdom, Email: ABSEuropeanSurveillance@standardandpoors.com or such other contact details as may be notified by S&P to the Issuer from time to time) or its successor (**S&P**), in each case with respect to the relevant contact details as may be otherwise notified by any of the Rating Agencies from time to time;

Receivable shall mean any liability to pay Loan Instalments which a Debtor owes to the Seller in accordance with a Loan Contract, together with any and all present and future ancillary rights under the relevant Loan Contracts, in particular rights to determine legal relationships (*Gestaltungsrechte*), including termination rights (*Kündigungsrechte*), and the rights to give directions (*Weisungsrechte*);

Receivables Purchase Agreement shall mean a receivables purchase agreement dated on or about 21 April 2015, and entered into between the Issuer and the Seller;

Records shall mean with respect to any Purchased Receivable, Related Collateral, Financed Vehicle and the related Debtors all contracts, correspondence, files, notes of dealings and other documents, books, books of accounts, registers, records and other information regardless of how stored;

Related Collateral shall mean with respect to any Purchased Receivable:

- (a) any accessory security rights (*akzessorische Sicherheiten*) for such Purchased Receivable;
- (b) security title (*Sicherungseigentum*) to the Financed Vehicles or any other moveable objects granted as collateral in favour of the Seller to secure the payment of such Purchased Receivable;
- (c) any and all other present and future claims and rights under the respective Loan Contract or in respect of the Financed Vehicles, including, without limitation, (i) claims against comprehensive insurers (*Kaskoversicherer*) taken with respect to the relevant specified Financed Vehicles except for claims for partial refund of the premium in the event of early termination of the insurance, (ii) claims against the relevant insurer under any Insurance Agreement entered into in connection with the financing of the acquisition of the relevant specified Financial Vehicles and (iii) damage compensation claims based on contracts or torts against the respective Debtors or against third parties (including comprehensive insurers (*Kaskoversicherer*)) due to damage to, or loss of, the Financed Vehicles;
- (d) any other ownership interests, liens, charges, encumbrances, security interest or other rights or claims in favour of the Seller on any property from time to time securing the payment of such Purchased Receivable, and the Records relating thereto;
- (e) any sureties, guarantees, and any and all present and future rights and claims under insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of

such Purchased Receivable whether pursuant to the Loan Contract relating to such Receivable or otherwise, including any and all such present and future rights and claims under any Payment Protection Insurance (*Ratenschutzversicherung*);

- (f) all Records relating to the Purchased Receivables and/or the Related Collateral under items (a) through (e) and (g); and
- (g) any claims to receive proceeds which arise from the disposal of or recourse to the Related Collateral, *provided that* any costs incurred by the Seller or (if different) the Servicer in connection with such disposal or recourse and any amounts which are due to the relevant Debtor in accordance with the relevant Loan Contract shall be deducted from such proceeds;

Replenishment Available Amount shall mean, as of any Payment Date, the amount by which the Aggregate Note Principal Amount exceeds the Aggregate Outstanding Principal Amount as of the Cut-Off Date immediately preceding such Payment Date;

Replenishment Period shall mean the period commencing on (but excluding) the Note Issuance Date and ending on (a) the Payment Date falling in the 36th month after the Note Issuance Date (inclusive) or, if earlier, (b) the date on which an Early Amortisation Event occurs (exclusive);

Required Reserve Amount shall mean (a) EUR 7,000,000 or (b) zero, if the Aggregate Outstanding Principal Amount is zero;

Reserve Fund shall mean a ledger account to the Transaction Account to which the relevant portion of the Available Distribution Amount as determined as of each relevant Cut-Off Date is applied and credited pursuant to items *tenth* and *eleventh* of the Pre-Enforcement Priority of Payments on the Payment Date immediately following such Cut-Off Date;

Restructured Loan shall mean, as of any date, any Purchased Receivable which is not a Defaulted Receivable and, as of such date, is in restructuring (*erhält eine Maßnahme*) in accordance with the Credit and Collection Policy;

Restructured Loans Ratio shall mean, in respect of each Collection Period, the ratio (expressed as a percentage) of:

- (a) the Aggregate Outstanding Principal Amount of all Purchased Receivables which are classified as restructured loans during such Collection Period as determined in the Detailed Investor Report relating to such Collection Period divided by
- (b) the Aggregate Outstanding Note Principal Amount as at the end of such Collection Period as determined in the Detailed Investor Report relating to such Collection Period;

Santander AutoCare Insurance (*Reparaturkostenversicherung*) shall mean an insurance entered into by a Debtor in respect of the financing of the acquisition of a Financed Vehicle by such Debtor by way of accession to a group insurance agreement (*Santander AutoCare Gruppenversicherungsvertrag*) between the Seller in its capacity as insurance policy holder and an insurer which covers repair costs for the repair of certain important components of the Financed Vehicle such as engine (*Motor*), gear (*Getriebe*) and steering (*Lenkung*);

Santander Consumer Bank shall mean Santander Consumer Bank AG, a stock corporation (*Aktiengesellschaft*) incorporated under the laws of Germany, registered in the commercial register of the local court (*Amtsgericht*) in Mönchengladbach under registration number HRB 1747 with its office at Santander-Platz 1, 41061 Mönchengladbach, Germany, or any successor thereof;

Santander Safe Insurance (*Santander Safe Versicherung*) shall mean an insurance entered into by a Debtor in respect of the financing of the acquisition of a Financed Vehicle by such Debtor by way of accession to a group insurance agreement (*Santander Safe Gruppenversicherungsvertrag*) between the Seller in its capacity as insurance policy holder and an insurer which covers the risk that loss is incurred if the relevant Financed Vehicle has to be completely written off (*Totalschaden*) due to fire, accident (irrespective of whether such accident was caused by the Debtor or a third party), flooding or theft, such loss being an amount equal to the difference between the original purchase price paid by the Debtor for such Financed Vehicle according to the relevant Loan Contract and the then current market value of such Financed Vehicle or the replacement cost of such Financed Vehicle at such time, taking also into account a certain value-based compensation. The Santander Safe Insurance is subject to certain exclusions. For instance, no coverage is provided if the insured event has been caused by a deliberate act (*vorsätzlich*) of the insured person and only limited coverage is provided if the insured person has acted with gross negligence (*grob fahrlässig*). The contribution owed by the Debtor for the accession to the Santander Safe Insurance is added to the Principal Amount owed by the Debtor as part of the Loan Instalments under the Loan Contract to which the Debtor is party;

Scheduled Collections shall mean, with respect to any Collection Period, the amount of Collections scheduled to be received by the Servicer with respect to such Collection Period, as reported by the Servicer for such Collection Period;

Seller shall mean Santander Consumer Bank;

Seller Deposits means, with respect to any Debtor, the actual aggregate amount held by such Debtor in the form of money market accounts (*Tagesgeldkonten*), savings certificates (*Sparbriefe*), savings accounts (*Sparkonten*), current accounts (*Girokonten*) and/or credit cards (*Kreditkarten*) with the Seller at the relevant time;

Servicer shall mean the Seller and any successor thereof or substitute servicer appointed by the Issuer in accordance with the Servicing Agreement or the Receivables Purchase Agreement;

Servicer Disruption Date shall mean any Payment Date in respect of which the Servicer fails to provide a Monthly Report for the immediately preceding Collection Period to the Calculation Agent in time, as notified by the Principal Paying Agent to the Noteholders in accordance with Conditions 8 (Notifications) and 13 (Form of Notices) of the Terms and Conditions;

Servicer Termination Event shall mean the occurrence of any of the following events:

- (a) The Servicer fails to make a payment due under the Servicing Agreement at the latest on the second (2nd) Business Day after its due date, or, in the event no due date has been determined, within three (3) Business Days after the demand for payment, where such aggregate amount due is at least EUR50,000;
- (b) Following a demand for performance the Servicer fails within five (5) Business Days to perform its material (as determined by the Issuer) obligations (other than those referred to in paragraph (a) above) owed to the Issuer under the Servicing Agreement;
- (c) Any of the representations and warranties made by the Servicer with respect to or under the Servicing Agreement or any Monthly Report or information transmitted is materially false or incorrect;
- (d) The Servicer is in default with respect to any Material Payment Obligation owed to any third party for a period of more than five (5) calendar days;
- (e) The Servicer is in breach of any of the covenants set out in the Servicing Agreement;
- (f) Any licence, authorisation or registration of the Servicer required with respect to the Servicing Agreement and the Services to be performed thereunder is revoked, restricted or made subject to any conditions;

- (g) The Servicer is not collecting Purchased Receivables or Related Collateral pursuant to the Servicing Agreement or is no longer entitled or capable to collect the Purchased Receivables and the Related Collateral for practical or legal reasons;
- (h) At any time there is otherwise no person which holds any required licence, authorisation or registration appointed by the Issuer to collect the Purchased Receivables and the Related Collateral in accordance with the Servicing Agreement;
- (i) There are valid reasons to cause the fulfilment of material duties and material obligations under the Servicing Agreement or under the Loan Contracts or Related Collateral on the part of the Servicer or the Seller (acting in its capacity as the Servicer) to appear to be impeded;
- (j) The Servicer (to the extent that it is identical with the Seller) is in breach of any of the covenants set out in the Receivables Purchase Agreement;
- (k) A material adverse change in the business or financial conditions of the Servicer has occurred which materially affects its ability to perform its obligations under the Servicing Agreement;

Servicing Agreement shall mean a servicing agreement dated on or about 21 April 2015, as amended or amended and restated from time to time, entered into by the Issuer, the Servicer and the Transaction Security Trustee;

Set-Off Required Rating means, with respect to any entity, that the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB (or its replacement) by S&P and BBB+ (or its replacement) and the short-term unsecured, unsubordinated and unguaranteed debt obligations of at least F2 (or its replacement) by FITCH and any such rating has not been withdrawn;

Set-Off Reserve Account shall mean the bank account with the account number 749 443 9712 and IBAN DE92503303007494439712 held in the name of the Issuer at the Account Bank, as well as any other bank accounts specified as such by or on behalf of the Issuer or the Transaction Security Trustee in the future in addition to or as substitute for such Set-Off Reserve Account in accordance with the Accounts Agreement and the Transaction Security Agreement, to which the Seller shall transfer the Set-Off Reserve Amount following the occurrence of a Set-Off Reserve Trigger Event, and if the balance credited to the Set-Off Reserve Account as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event is less than the Set-Off Reserve Amount as calculated as of such Cut-Off Date, taking into account any amounts to be credited to the Set-Off Reserve Account on the immediately following Payment Date pursuant to the Pre-Enforcement Priority of Payments, an amount equal to such shortfall as determined as of such Cut-Off Date;

Set-Off Reserve Amount shall mean:

- (a) as of the Cut-Off Date immediately preceding the occurrence of a Set-Off Reserve Trigger Event and as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the sum of the Seller Deposits which are calculated with respect to each Debtor of Purchased Receivables outstanding as of the relevant date who, on the relevant Cut-Off Date, holds Seller Deposits, and are in each case equal to the lower of (i) the amount of Seller Deposits which, as of the relevant Cut-Off Date, are held with the Seller by such Debtor, and (ii) the Principal Amount of the Purchased Receivables owed by such Debtor outstanding as of the relevant Cut-Off Date; or
- (b) if as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the Seller has at least the Set-Off Required Rating, zero;

A **Set-Off Reserve Trigger Event** will have occurred if, at any time, (a) Santander Consumer Finance S.A. ceases to have the Set-Off Required Rating, or (b) Santander Consumer Finance S.A. ceases to own, directly or indirectly, at least 60% of the share capital of the Seller, or (c) the Seller's credit quality is not commensurate

with the Set-Off Required Rating, unless in each case (a) and (b), the Seller has at least the Set-Off Required Rating;

Specified Date means, unless the context requires otherwise, the Note Issuance Date;

Subordinated Loan Agreement shall mean a subordinated loan agreement dated on or about 21 April 2015, as amended or amended and restated from time to time, and entered into by the Issuer as borrower and the Subordinated Loan Provider as lender;

Subordinated Loan Provider shall mean Santander Consumer Bank AG, Santander-Platz 1, 41061 Mönchengladbach, Germany, or any successor or assignee thereof;

Subscription Agreement shall mean an agreement for the subscription of the Notes dated on or about 21 April 2015, as amended or amended and restated from time to time, and entered into between the Issuer, the Seller and the Manager;

Termination Event shall mean the occurrence of any of the following events:

- (a) the Seller fails to make a payment due under the Receivables Purchase Agreement at the latest on the fifth (5th) Business Day after its due date, or, in the event no due date has been determined, within five (5) Business Days after the demand for payment, where such aggregate amount due is at least EUR50,000;
- (b) the Seller fails within five (5) Business Days to perform its material (as determined by the Issuer) obligations (other than those referred to in (a) above) owed to the Issuer under the Receivables Purchase Agreement after its due date, or, in the event no due date has been determined, within five (5) Business Days after the demand for performance;
- (c) any of the representations and warranties made by the Seller, with respect to or under the Receivables Purchase Agreement or information transmitted is materially false or incorrect, unless such falseness or incorrectness, insofar as it relates to Purchased Receivables, Related Collateral, or the Loan Contracts, has been remedied by the tenth (10th) Business Day (inclusive) after the Seller has become aware that such representations or warranties were false or incorrect;
- (d) the Seller is overindebted (*überschuldet*), unable to pay its debts when they fall due (*zahlungsunfähig*) or such status is imminent (*drohende Zahlungsunfähigkeit*) or intends to commence insolvency (including preliminary insolvency proceedings) or reorganisation proceedings or is subject to insolvency (including preliminary insolvency proceedings) or dissolution proceedings and the Seller fails to remedy such status within twenty (20) Business Days;
- (e) the Seller is in default with respect to any Material Payment Obligations owed to any third parties for a period of more than five (5) calendar days; **Material Payment Obligation** shall mean a payment due and payable in the amount of or in excess of EUR10,000,000 (ten million euro);
- (f) the banking licence of the Seller is revoked, restricted or made subject to any conditions or any of the proceedings referred to in or any action under Sections 45, 46 and 46b of the German Banking Act (*Gesetz über das Kreditwesen*) have been taken with respect to the Seller;
- (g) the Seller fails to perform any material obligation under the Loan Contracts or in relation to the Related Collateral;
- (h) an Issuer Event of Default has occurred; or

- (i) a material adverse change in the business or financial conditions of the Seller has occurred which materially affects its ability to perform its obligations under the Receivables Purchase Agreement;

Transaction Account shall mean the bank account with the account number 749 443 9710 and IBAN DE 49503303007494439710 held in the name of the Issuer at the Account Bank, as well as any other bank accounts specified as such by or on behalf of the Issuer or the Transaction Security Trustee in the future in addition to or as substitute for such Transaction Account in accordance with the Accounts Agreement and the Transaction Security Agreement;

Transaction Cost Fee shall mean a fee payable by the Seller to the Issuer on each Payment Date pursuant to the Receivables Purchase Agreement, such fee to be applied by the Issuer to pay the interest and principal due under the Funding Loan Agreement;

Transaction Documents shall mean the Receivables Purchase Agreement, the Servicing Agreement, the Transaction Security Documents, the Subordinated Loan Agreement, the Corporate Administration Agreement, the Accounts Agreement, the Data Trust Agreement, the Notes, the Agency Agreement, the Funding Loan Agreement and any amendment agreement, termination agreement or replacement agreement relating to any such agreement;

Transaction Security Agreement) shall mean a transaction security agreement dated 21 April 2015, as amended or amended and restated from time to time, and made between the Issuer, the Agents, the Account Bank, the Data Trustee, the Corporate Administrator, the Seller, the Servicer, the Subordinated Loan Provider and the Transaction Security Trustee for the benefit of the Beneficiaries; and

Transaction Security Documents shall mean the Transaction Security Agreement, and any other agreement or document entered into from time to time by the Transaction Security Trustee with the Issuer for the benefit of the Noteholders and the other Beneficiaries for the purpose, inter alia, of securing all or any of the obligations of the Issuer under the Transaction Documents (other than the Funding Loan Agreement).

SUMMARY OF RULES REGARDING RESOLUTIONS OF NOTEHOLDERS

Pursuant to the Terms and Conditions of the Notes, the Noteholders may agree to amendments or decide on other matters relating to the Notes by way of resolution to be passed by taking votes without a meeting.

In addition to the provisions included in the Terms and Conditions of the Notes, the rules regarding the solicitation of votes and the conduct of the voting by Noteholders, the passing and publication of resolutions as well as their implementation and challenge before German courts are set out in Schedule 8 to the Agency Agreement which is incorporated by reference into the Terms and Conditions. Under the German Act on Debt Securities (*Schuldverschreibungsgesetz*), these rules are largely mandatory, although they permit in limited circumstances supplementary provisions set out in or incorporated into the Terms and Conditions.

Specific rules on the taking of votes without a meeting

The following is a brief summary of some of the statutory rules regarding the solicitation and conduct of the voting, the passing and publication of resolutions as well as their implementation and challenge before German courts.

The voting shall be conducted by the person presiding over the taking of votes (the "**Chairperson**") who shall be (i) a notary appointed by the Issuer, (ii) the Noteholders' representative if such a representative has been appointed and has solicited the taking of votes, or (iii) a person appointed by the competent court.

The notice for the solicitation of votes shall specify the period within which votes may be cast. Such period shall not be less than 72 hours. During such period, the Noteholders may cast their votes to the Chairperson. The notice for the solicitation of votes shall give details as to the prerequisites which must be met for votes to qualify for being counted.

The Chairperson shall determine each Noteholder's entitlement to vote on the basis of evidence presented and shall prepare a roster of the Noteholders entitled to vote. If a quorum is not reached, the Chairperson may convene a Noteholders' meeting. Each Noteholder who has taken part in the vote may request from the Issuer, for up to one year following the end of the voting period, a copy of the minutes for such vote and any annexes thereto.

Each Noteholder who has taken part in the vote may object in writing to the result of the vote within two weeks following the publication of the resolutions passed. The objection shall be decided upon by the Chairperson. If the Chairperson remedies the objection, the Chairperson shall promptly publish the result. If the Chairperson does not remedy the objection, the Chairperson shall promptly inform the objecting Noteholder in writing.

The Issuer shall bear the costs of the vote and, if the court has convened a meeting or appointed or removed the Chairperson, also the costs of such proceedings.

Rules on noteholders' meetings under the German Act on Debt Securities

In addition to the aforementioned rules, the statutory rules applicable to noteholders' meetings apply *mutatis mutandis* to any taking of votes by noteholders without a meeting. The following summarises some of such rules.

Meetings of noteholders may be convened by the issuer and the noteholders' representative if such a representative has been appointed. Meetings of noteholders must be convened if one or more noteholders holding 5 per cent. or more of the outstanding notes so require for specified reasons permitted by statute.

Meetings may be convened not less than fourteen (14) days before the date of the meeting. Attendance and voting at the meeting may be made subject to prior registration of noteholders. The convening notice will

provide what proof will be required for attendance and voting at the meeting. The place of the meeting in respect of a German issuer is the place of the issuer's registered office, provided, however, that where the relevant notes are listed on a stock exchange within the European Union or the European Economic Area, the meeting may be held at the place of such stock exchange.

The convening notice must include relevant particulars and must be made publicly available together with the agenda of the meeting setting out the proposals for resolution.

Each noteholder may be represented by proxy. A quorum exists if noteholders representing by value not less than 50 per cent. of the outstanding notes are present or represented at the meeting. If the quorum is not reached, a second meeting may be called at which no quorum will be required, *provided that* where a resolution may only be adopted by a qualified majority, a quorum requires the presence of at least 25 per cent. of the principal amount of outstanding notes.

All resolutions adopted must be properly published. Resolutions which amend or supplement the terms and conditions of notes certificated by one or more global notes must be implemented by supplementing or amending the relevant global note(s).

In insolvency proceedings instituted in Germany against the issuer, the noteholders' representative, if appointed, is obliged and exclusively entitled to assert the noteholders' rights under the notes. Any resolutions passed by the noteholders are subject to the provisions of the German Insolvency Code (*Insolvenzordnung*).

If a resolution constitutes a breach of the statute or the terms and conditions of the notes, noteholders may bring an action to set aside such resolution. Such action must be filed with the competent court within one (1) month following the publication of the resolution.

THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT

The following sets out the main provisions of the Transaction Security Agreement. The full text of the Transaction Security Agreement (excluding any Schedule thereto) constitutes Appendix B to the Terms and Conditions and forms an integral part of the Terms and Conditions. The text of the recitals, Clause 1 (*Definitions and Construction*), Clause 41.2 (*Notices*) and Clause 47 (*Counterparts*) of the Transaction Security Agreement have been omitted from the following.

2. DUTIES OF THE TRANSACTION SECURITY TRUSTEE

This Transaction Security Agreement sets out the general rights and obligations of the Transaction Security Trustee which govern the performance of its functions under this Transaction Security Agreement. The Transaction Security Trustee shall perform the activities and services set out in this Transaction Security Agreement or contemplated to be performed by the Transaction Security Trustee pursuant to the terms of any other Transaction Document to which the Transaction Security Trustee is a party. Unless otherwise stated herein or in the Transaction Documents to which the Transaction Security Trustee is a party, the Transaction Security Trustee is not obliged to supervise or monitor the discharge by any person of its payment and other obligations arising from the Notes or any other relevant Transaction Documents or to carry out duties which are the responsibility of the Issuer or any other person which is a party to any Transaction Document.

3. POSITION OF TRANSACTION SECURITY TRUSTEE IN RELATION TO THE BENEFICIARIES

3.1 The Transaction Security Trustee shall acquire and hold the security granted to it under this Transaction Security Agreement and exercise its rights (other than its rights under Clauses 28 (Fees) to 31 (Taxes) of this Transaction Security Agreement) and discharge its duties under the Transaction Documents as a trustee (*Treuhänder*) for the benefit of the Beneficiaries. Without prejudice to the Post-Enforcement Priority of Payments pursuant to Clause 23 (Post-Enforcement Priority of Payments), the Transaction Security Trustee shall exercise its duties under this Transaction Security Agreement (a) as long as any of the Class A Notes are outstanding, with regard only to the interests of the Class A Noteholders and (b) if no Class A Notes remain outstanding, with regard only to the interests of the Class B Noteholders and (c) if no Notes remain outstanding, with regard only to the interests of the Beneficiary ranking highest in the Post-Enforcement Priority of Payments to whom any amounts are owed.

3.2 This Transaction Security Agreement constitutes a genuine contract for the benefit of third parties (*echter Vertrag zu Gunsten Dritter*) pursuant to Section 328(1) of the German Civil Code in respect of the obligations of the Transaction Security Trustee contained herein to act as trustee (*Treuhänder*) for the benefit of present and future Beneficiaries. The rights of the Issuer under the Transaction Documents in the event of an enforcement of the Transaction Security Trustee Claim pursuant to Clause 4.2 (Transaction Security Trustee Claim) shall remain unaffected.

4. POSITION OF TRANSACTION SECURITY TRUSTEE IN RELATION TO THE ISSUER

4.1 Transaction Security Trustee as Secured Party/Insolvency of Transaction Security Trustee

With respect to its own claims against the Issuer under this Transaction Security Agreement or otherwise, in particular with respect to any fees, and with respect to the Transaction Security Trustee Claim (as set out below in Clause 4.2 (Transaction Security Trustee Claim)) the Transaction Security Trustee shall, in addition to the Beneficiaries, be a secured party (*Sicherungsnehmer*) with respect to the Note Collateral (as defined in Clause 7 (Security Purpose)).

To the extent that the Assigned Security (as defined in Clause 5.1 (Assignment, Transfer and Pledge) below) will be transferred to the Transaction Security Trustee for security purposes in accordance with Clause 5 (Transfer for Security Purposes of the Assigned Security), in the event of insolvency proceedings being commenced in respect of the Transaction Security Trustee, any Note Collateral held by the Transaction Security Trustee shall be transferred by the Transaction Security Trustee to the relevant new Transaction Security Trustee appointed in accordance with this Transaction Security Agreement.

The Issuer and each Beneficiary who is a party to this Transaction Security Agreement hereby undertakes to assign any claim for segregation (*Aussonderung*) it may have in an insolvency of the Transaction Security Trustee with respect to this Transaction Security Agreement and the Note Collateral to the relevant new Transaction Security Trustee appointed in accordance with this Transaction Security Agreement for the purposes set out herein.

4.2 Transaction Security Trustee Claim

- (a) The Issuer hereby grants the Transaction Security Trustee a separate claim (the **Transaction Security Trustee Claim**), entitling the Transaction Security Trustee to demand from the Issuer:
- (i) that any present or future, actual or contingent obligation of the Issuer in relation to any Noteholder under any Note be fulfilled; and
 - (ii) that any present or future, actual or contingent obligation of the Issuer in relation to any Beneficiary under any other Transaction Document (other than the Funding Loan Agreement) to which the Issuer is a party be fulfilled.
- (b) The obligation of the Issuer to make payments to the relevant Beneficiary shall remain unaffected by the provisions of paragraph (a) above. The Transaction Security Trustee Claim may be enforced separately from the Beneficiary's claim in respect of the same payment obligation of the Issuer. The Transaction Security Trustee agrees with the Issuer and the Beneficiaries to pay any sums received from the Issuer pursuant to this Clause 4.2 to the relevant Beneficiaries in accordance with the Post-Enforcement Priority of Payments (as such term is defined in Clause 23.1 (Post-Enforcement Priority of Payments)) upon the occurrence of an Issuer Event of Default; the relevant Transaction Secured Obligation shall only be deemed fulfilled when the payment due has been made by the Transaction Security Trustee to the relevant Beneficiary.

5. TRANSFER FOR SECURITY PURPOSES OF THE ASSIGNED SECURITY

5.1 Assignment, Transfer and Pledge

The Issuer hereby assigns and transfers the following rights and claims (including any contingent rights (*Anwartschaftsrechte*) to such rights and claims) to the Transaction Security Trustee for the security purposes set out in Clause 7 (Security Purpose) (*Sicherungsabtretung* or *Sicherungsübereignung*, as the case may be):

- (a) all Purchased Receivables together with any Related Collateral and all rights, claims and interests relating thereto;
- (b) all rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Seller or the Servicer and/or any other party pursuant to or in respect of the Receivables Purchase Agreement or the Servicing Agreement, including all rights of the Issuer relating to any additional security;

- (c) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Subordinated Loan Provider and/or any other party pursuant to or in respect of the Subordinated Loan Agreement;
- (d) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Manager, the Seller and/or any other party pursuant to or in respect of the Subscription Agreement;
- (e) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to a third party pursuant to or in respect of the sale to such third party of Defaulted Receivables;
- (f) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Account Bank (to the extent not pledged pursuant to Clause 5.6 (Pledge of Accounts) below) and/or the Corporate Administrator and/or any other party pursuant to or in respect of the Accounts Agreement;
- (g) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Data Trustee and/or any other party pursuant to or in respect of the Data Trust Agreement;
- (h) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Principal Paying Agent and/or the Calculation Agent and/or the Cash Administrator pursuant to the Agency Agreement; and
- (i) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Corporate Administrator and/or any other party pursuant to or in respect of the Corporate Administration Agreement,

in each case (a) to (i) above including any and all related non-ancillary (*selbständige*) and ancillary (*unselbständige*) rights to determine unilaterally legal relationships (*Gestaltungsrechte*), including any termination rights (*Kündigungsrechte*) (together with the Pledged Account Assets pledged pursuant to Clause 5.6 (Pledge of Accounts) below, the **Assigned Security**).

The Issuer hereby covenants in favour of the Transaction Security Trustee that it will assign and/or transfer any future assets received by it as security for any of the foregoing or otherwise in connection with the Transaction Documents (other than the Funding Loan Agreement) which are governed by German law, in particular such assets which it receives from any of its counterparties in relation to any of such Transaction Documents as collateral for the obligations of such counterparty towards the Issuer, to the Transaction Security Trustee. The Issuer shall perform such covenant in accordance with the provisions of this Transaction Security Agreement.

5.2 The Transaction Security Trustee hereby accepts the assignment, the transfer and the pledge of the Assigned Security and any security related thereto and the covenants of the Issuer hereunder.

5.3 The existing Assigned Security shall pass over to the Transaction Security Trustee on the date on which this Transaction Security Agreement becomes effective, and any future Assigned Security shall directly pass over to the Transaction Security Trustee at the date on which such Assigned Security arises, and in each case at the earliest at the time at which the Issuer has acquired the rights and claims of which the Assigned Security consists.

The Issuer undertakes to assign and/or transfer to the Transaction Security Trustee, on the terms and conditions and for the purposes set out herein, any rights and claims under any further agreements relating to the Transaction Documents upon execution of such documents.

5.4 To the extent that title to the Assigned Security cannot be transferred by mere agreement between the Issuer and the Transaction Security Trustee as effected in the foregoing Clauses 4.1 to 4.2, the Issuer and the Transaction Security Trustee hereby agree with respect to all Purchased Receivables that:

- (a) the delivery (*Übergabe*) necessary to effect the transfer of title for security purposes with regard to the Financed Vehicles (and any car certificates (*Fahrzeugbriefe*), registration certificates part II (*Zulassungsbescheinigungen Teil II*) or equivalent documents with respect thereto) and any other moveable Related Collateral with regard to any subsequently inserted parts thereof or with regard to any subsequently arising co-owner's interest, is hereby replaced in that the Issuer and the Transaction Security Trustee hereby agree that the Issuer hereby assigns to the Transaction Security Trustee all claims, present or future, to request transfer of possession (*Abtretung aller Herausgabeansprüche gemäß § 931 Bürgerliches Gesetzbuch*) against any third party (including any Debtors, Seller or (if different) Servicer) which is in the direct possession (*unmittelbarer Besitz*) or indirect possession (*mittelbarer Besitz*) of the Financed Vehicles (and any car certificates (*Fahrzeugbriefe*), registration certificates part II (*Zulassungsbescheinigungen Teil II*) or equivalent documents with respect thereto) or other moveable Related Collateral. In addition to the foregoing it is hereby agreed that the Issuer shall, in the event that (but only in the event that) the related Financed Vehicles or other moveable Related Collateral are in the Issuer's direct possession (*unmittelbarer Besitz*), hold possession as fiduciary (*treuhänderisch*) on behalf of the Transaction Security Trustee and shall grant the Transaction Security Trustee indirect possession (*mittelbarer Besitz*) of the related Financed Vehicles and other moveable Related Collateral by keeping it with due care free of charge (*als Verwahrer*) and separate from other assets owned by it for the Transaction Security Trustee until revoked (*Besitzkonstitut*);
- (b) any notice to be given in order to effect transfer of title in the Assigned Security shall immediately be given by the Issuer in such form as the Transaction Security Trustee requires and the Issuer hereby agrees that if it fails to give such notice, the Transaction Security Trustee is hereby irrevocably authorised to give such notice on behalf of the Issuer;
- (c) any other thing to be done or form or registration to be effected to perfect a first priority security interest in the Assigned Security for the Transaction Security Trustee in favour of the Beneficiaries shall be immediately done and effected by the Issuer at its own costs; and
- (d) the Issuer shall provide any and all necessary details in order to identify the Financed Vehicles, title to which has been transferred hereunder from the Issuer to the Transaction Security Trustee as contemplated herein, at the latest on the date on which this Transaction Security Agreement becomes effective.

The Transaction Security Trustee hereby accepts such assignment and transfer.

5.5 Assignment of Claims under Account Relationship

If an express or implied current account relationship (*echtes oder unechtes Kontokorrentverhältnis*) exists or is later established between the Issuer and a third party, the Issuer hereby assigns to the Transaction Security Trustee (without prejudice to the generality of the provisions in Clause 5.1 (Assignment, Transfer and Pledge)) the right to receive a periodic account statement and the right to receive payment of present or future balances and the right to demand the drawing of a balance (including a final net balance determined upon the institution of any insolvency proceedings in respect of the assets of the Issuer), as well as the right to terminate the current account relationship and the right to receive payment of the closing net balance upon termination. The Issuer shall notify the Transaction Security Trustee of any future current account relationship it enters into in accordance with the Transaction Documents.

5.6 Pledge of Accounts

The Issuer hereby pledges (*verpfänden*) pursuant to Sections 1204, 1273 and 1279 of the German Civil Code (*Bürgerliches Gesetzbuch*) to the Transaction Security Trustee in its capacity as trustee (*Treuhänder*) and for the benefit of the Beneficiaries, all of its present and future, conditional and unconditional claims and rights in and to each of the Transaction Account (including, without limitation, the Reserve Fund), the Commingling Reserve Account, the Set-Off Reserve Account, the Purchase Shortfall Account and any other Account, and any future accounts and all monies standing to the credit thereof, including interest thereon (if any) (the **Pledged Account Assets**) and the Transaction Security Trustee hereby accepts the foregoing pledges (each a **Pledge** and together the **Pledges**).

5.7 The Issuer hereby gives notice to the Account Bank of the pledges under Clause 5.6 (Pledge of Accounts) and the Account Bank hereby acknowledges and confirms receipt of such notice.

5.8 The Account Bank hereby agrees that its general terms and conditions (*Allgemeine Geschäftsbedingungen*) shall not apply and waives any right it has or may hereafter acquire to combine, consolidate or merge the Accounts with any other account of the Issuer or set off any liabilities of the Issuer to the Account Bank and agrees that it shall not exercise any right of retention or set off or transfer any sum standing to the credit of or to be credited to the Accounts in or towards the satisfaction of any liabilities of the Issuer to the Account Bank or any other person. Insofar as additional declarations or actions are necessary for the creation of the Pledges, the Issuer shall, at the request of the Transaction Security Trustee, make such declarations or undertake such actions at the Issuer's costs and expenses.

5.9 Acknowledgement of Assignment/Transfer

All parties to this Transaction Security Agreement hereby acknowledge that the rights and claims of the Issuer which constitute the Assigned Security and which have arisen under contracts and agreements between the Issuer and the parties hereto and which are owed by such parties, are assigned, transferred and/or pledged to the Transaction Security Trustee and that the Issuer is entitled to continue to exercise and collect such rights and claims only in accordance with the provisions of, and subject to, the restrictions contained in this Transaction Security Agreement. For the avoidance of doubt, upon notification to any party hereto by the Transaction Security Trustee in respect of the occurrence of an Issuer Event of Default, the Transaction Security Trustee shall be entitled to exercise the rights of the Issuer under the Transaction Documents referred to in Clause 5.1(a) to 5.1(i), including, without limitation, the right to give instructions to each such party pursuant to the relevant Transaction Document and each party hereto agrees to be bound by such instructions of the Transaction Security Trustee given pursuant to the relevant Transaction Document to which such party is a party.

6. TRANSACTION SECURITY TRUSTEE PLEDGE

The Issuer hereby pledges (*Verpfändung*) to the Transaction Security Trustee all its present and future claims against the Transaction Security Trustee arising under this Transaction Security Agreement.

The Issuer hereby gives notice to the Transaction Security Trustee of such pledge and the Transaction Security Trustee hereby confirms receipt of such notice. The Transaction Security Trustee is under no obligation to enforce any claims of the Issuer against the Transaction Security Trustee pledged to the Transaction Security Trustee pursuant to this Clause 6.

7. SECURITY PURPOSE

The assignment, transfer and pledge for security purposes of rights and claims pursuant to Clause 5 (Transfer for Security Purposes of the Assigned Security) and the pledge pursuant to Clause 6 (Transaction Security Trustee Pledge) (and the Assigned Security together with such pledges are

referred to herein as the **Collateral** or the **Note Collateral**) serve to secure the Transaction Security Trustee Claim.

In addition, the assignment, transfer and pledge for security purposes of the Note Collateral is made for the purpose of securing the due payment and performance by the Issuer of any and all obligations (present and future, actual and contingent) which are (or are expressed to be) or become owing by the Issuer to the Noteholders under the Notes and the other Beneficiaries or any of them (including any Replacement Beneficiary following a transfer or assignment, accession, assumption of contract (*Vertragsübernahme*) or novation of certain rights and obligations in accordance with the relevant provision of the relevant Transaction Documents (other than the Funding Loan Agreement)) under or in connection with any of the Transaction Documents (other than the Funding Loan Agreement), as each may be amended, novated, supplemented or extended from time to time (the **Transaction Secured Obligations**), and which Transaction Secured Obligations shall, for the avoidance of doubt, include, without limitation, (a) any fees to be paid by the Issuer to any Beneficiary in connection with the Transaction Documents (other than the Funding Loan Agreement) irrespective of whether such fees are agreed or determined in such Transaction Documents or in any fee arrangement relating thereto, (b) any obligations incurred by the Issuer on, as a consequence of or after the opening of any insolvency proceedings and (c) any potential obligations on the grounds of any invalidity or unenforceability of any of the Transaction Documents (other than the Funding Loan Agreement), in particular claims on the grounds of unjustified enrichment (*ungerechtfertigter Bereicherung*).

8. COLLECTION AUTHORISATION; FURTHER TRANSFER

8.1 Collection Authorisation

- (a) The Issuer shall be authorised (*ermächtigt*) to collect or have collected in the ordinary course of business or otherwise exercise or deal with (which term shall, for the avoidance of doubt, include the enforcement of any security) the rights assigned, transferred and pledged for security purposes under Clause 5 (Transfer for Security Purposes of the Assigned Security) and the rights pledged pursuant to Clause 6 (Transaction Security Trustee Pledge).
- (b) Without affecting the generality of paragraph (a), it is hereby agreed that the Transaction Security Trustee consents to the assignments, transfers, pledges and/or releases by the Issuer (or by the Servicer on behalf of the Issuer) of Purchased Receivables and Related Collateral to any third party in accordance with the Credit and Collection Policy and the release by the Servicer of any Financed Vehicles in accordance with the Receivables Purchase Agreement and/or the Servicing Agreement.
- (c) The authority and consents provided in paragraphs (a) and (b) above are deemed to be granted only to the extent that the Transaction Security Trustee procures that the obligations of the Issuer are fulfilled in accordance with the Pre-Enforcement Priority of Payments and the requirements under this Transaction Security Agreement.
- (d) The authority and consents contained in paragraphs (a) and (b) above may be revoked by the Transaction Security Trustee if, in the Transaction Security Trustee's opinion, such revocation is necessary in order to avoid an adverse effect on the Note Collateral or their value which the Transaction Security Trustee considers material, and the Transaction Security Trustee gives notice thereof to the Issuer and the Seller. The authority and consents contained in paragraphs (a) and (b) above shall automatically terminate upon the occurrence of an Issuer Event of Default, but with respect to the Servicer and the Seller only upon notice thereof to the Seller and the Servicer (as the case may be).

8.2 Transfer Authorisation

The Transaction Security Trustee shall be authorised to transfer the Assigned Security in the event that the Transaction Security Trustee is replaced and the Note Collateral is to be transferred to the New Transaction Security Trustee pursuant to Clauses 32.1 (Resignation) and 34.1 (Transfer of Note Collateral).

- 8.3 In any event the Issuer shall be entitled to retain an amount of up to EUR 500 in each calendar year for its free disposal from the Note Collateral.

9. ENFORCEABILITY

The Note Collateral shall be enforced upon an Issuer Event of Default in accordance with Clause 19 (Enforcement of Note Collateral).

10. RELEASE OF COLLATERAL

As soon as the Transaction Security Trustee is satisfied that the Issuer has fully performed all obligations secured by this Transaction Security Agreement and to the extent the Collateral has not been previously released pursuant to this Transaction Security Agreement, the Transaction Security Trustee shall promptly transfer back to the Issuer or to the Issuer's order the Collateral assigned and/or transferred to it under this Transaction Security Agreement.

11. REPRESENTATIONS OF THE ISSUER WITH RESPECT TO NOTE COLLATERAL, COVENANTS

- 11.1 The Issuer hereby represents and warrants to and covenants with the Transaction Security Trustee (in the Transaction Security Trustee's own name and on behalf of the Beneficiaries) that it has (and will have, insofar as future rights and claims are concerned) full and unaffected title to the Note Collateral and any related security thereto which is assigned and/or transferred or pledged hereby and that such Note Collateral and such related security is (and will be insofar as future rights and claims are concerned) free and clear from any encumbrances and adverse rights and claims of any third parties, always subject only to the rights and encumbrances created under this Transaction Security Agreement.
- 11.2 The Issuer hereby represents and warrants to the Transaction Security Trustee (in the Transaction Security Trustee's own name and on behalf of the Beneficiaries), that, as of the date of execution of this Transaction Security Agreement, it has the corporate power and the authority to enter into this Transaction Security Agreement and that all necessary corporate action has been taken and the validity and enforceability of this Transaction Security Agreement is not subject to any restriction of any kind, consent or other requirement or condition, that has not been satisfied at the date of execution of this Transaction Security Agreement (save that enforceability may be limited by bankruptcy, insolvency or other similar proceedings with respect to the Issuer or by general principles of good faith (*Treu und Glauben*)).
- 11.3 The Issuer shall be liable (without prejudice to Clause 44 (No Liability and No Right to Petition and Limitation on Payments)) to pay damages (*Schadensersatz wegen Nichterfüllung*) in the event that any Note Collateral transferred for security purposes in accordance with this Transaction Security Agreement proves to be invalid or if the transfer itself proves to be invalid.
- 11.4 The Issuer hereby covenants with the Transaction Security Trustee to notify the Transaction Security Trustee of the issue of the Notes within ten (10) Business Days from the date of issue thereof by way of notice substantially in the form set out in Schedule 1 (Form of Note Identification Notice).

12. REPRESENTATIONS AND WARRANTIES OF THE TRANSACTION SECURITY TRUSTEE AND CERTAIN OTHER PARTIES

- 12.1 The Transaction Security Trustee hereby represents to the Issuer that it has the legal capacity, is in a position to perform and has obtained all authorisations and licences required for the execution of this Transaction Security Agreement and the performance of its duties and obligations hereunder in accordance with the provisions of this Transaction Security Agreement and that, at the time of concluding this Transaction Security Agreement, it does not, to the best of its knowledge, see actual or foreseeable grounds for terminating this Transaction Security Agreement pursuant to Clauses 32 (Resignation) or 33 (Replacement of Transaction Security Trustee).
- 12.2 The Transaction Security Trustee hereby represents to the Issuer that it has its **centre of main interests** at the place of its incorporation and that it does not have an **establishment** other than at the place of its incorporation, as such terms are used by Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Procedures.
- 12.3 It is hereby agreed (without prejudice to the other provisions of this Transaction Security Agreement, and in particular Clauses 33 (Replacement of Transaction Security Trustee) and 34.1 (Transfer of Note Collateral) hereof) that, in the event that any grounds for terminating this Transaction Security Agreement pursuant to Clauses 32 (Resignation) or 33 (Replacement of Transaction Security Trustee) exist or come into existence, or if the Transaction Security Trustee does not possess any authorisation, registration or licence which is required for the performance of its duties and obligations hereunder, the Transaction Security Trustee shall, without undue delay, remedy any such grounds, obtain such authorisations, registrations and licences, and any other obligations of the Transaction Security Trustee and the other provisions of this Transaction Security Agreement shall not be affected by the Transaction Security Trustee failing to remedy such grounds or to have obtained such authorisations, registrations or licences.
- 12.4 Each Beneficiary who is a party to this Transaction Security Agreement hereby represents and warrants, that, as of the date of execution of this Transaction Security Agreement, it has the corporate power and the authority to enter into this Transaction Security Agreement and that all necessary corporate action has been taken and the validity and enforceability of this Transaction Security Agreement is not subject to any restriction of any kind, consent or other requirement or condition, that has not been satisfied as of the date of execution of this Transaction Security Agreement.

13. RECEIPT AND CUSTODY OF DOCUMENTS; NOTICES

- 13.1 The Transaction Security Trustee shall take delivery of and keep in custody the documents which are delivered to it under the Transaction Documents (if any) and shall:
- (a) keep such documents for one year after the termination of this Transaction Security Agreement; or
 - (b) forward the documents to the New Transaction Security Trustee if the Transaction Security Trustee is replaced in accordance with Clauses 33 (Replacement of Transaction Security Trustee) and 34 (Transfer of Note Collateral) hereof.
- 13.2 In the event that the Transaction Security Trustee becomes aware of any variations in writing of the Transaction Documents, it shall immediately give notice thereof to the Rating Agencies.

14. ACCOUNTS TERMINATION

14.1 Accounts Termination

Each Account has been opened, or, if applicable, will be opened by the Issuer in accordance with the Accounts Agreement with the Account Bank. The Issuer shall terminate (and, if the Issuer does not terminate, the Transaction Security Trustee may terminate on behalf of the Issuer) the account relationship with the Account Bank within thirty (30) calendar days after an Account Bank Downgrade has occurred. Pursuant to clause 6.1 (Accounts Termination) of the Accounts Agreement, the Account Bank will notify each of the parties to the Accounts Agreement of the occurrence of an Account Bank Downgrade in writing without undue delay.

Account Bank Downgrade means that (a) the Account Bank ceases to have the Account Bank Required Rating or (b) the relevant debt obligations of the Account Bank are no longer rated by any of the Rating Agencies;

Account Bank Required Rating shall mean, with respect to the Account Bank, that (a) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least A2 (or its replacement) by S&P or, if S&P has not assigned any rating to the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank, the long-term, unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least BBB (or its replacement) by S&P and (b) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least BBB+ (or its replacement) and the short-term unsecured, unsubordinated and unguaranteed debt obligations of least F2 (or its replacement) by Fitch.

14.2 Successor Bank

- (a) Should the account relationship with the Account Bank be terminated by the Account Bank or the Issuer or should insolvency or bankruptcy or similar proceedings be commenced with respect to the Issuer, the Issuer shall promptly inform the Transaction Security Trustee of such termination or such proceedings. The Issuer, acting in its own name, or, in case of such proceedings, the Transaction Security Trustee (acting in its own name but for the account of and as trustee for the Beneficiaries), shall then open new accounts with another bank (the **Successor Bank**) on conditions as close as possible to those previously agreed with the previous Account Bank. The Successor Bank shall be a bank whose short-term, unsecured debt obligations are rated at least the Account Bank Required Rating. The Issuer shall enter into a new account agreement (or agreements) with the Successor Bank, the Transaction Security Trustee and the Corporate Administrator as contracting parties and any and all amounts credited to the Transaction Account (including, for the avoidance of doubt, the Reserve Fund), the Commingling Reserve Account, the Set-Off Reserve Account, the Purchase Shortfall Account and any other Account, respectively. In case of commencement of insolvency or bankruptcy or similar proceedings with respect to the Issuer such account agreement(s) shall be entered into between the Transaction Security Trustee and the Successor Bank (and any and all references to **Transaction Account, Commingling Reserve Account, Set-Off Reserve Account, Purchase Shortfall Account** and any other Account shall in each case then be read as references to such new corresponding account(s)). It is agreed that best efforts will be undertaken that the new account agreement(s) will provide for the Successor Bank to undertake to promptly notify the other contracting parties to the Accounts Agreement of any Account Bank Downgrade.
- (b) If accounts replacing the Accounts have been opened with a Successor Bank and an Account Bank Downgrade has occurred with respect to such Successor Bank, then within thirty (30) calendar days of such Account Bank Downgrade, the Issuer, or (as the case may be) the Transaction Security Trustee, shall open substitute accounts with another Successor Bank in accordance with the procedure set out in Clause 14.2(a) and terminate each account with the previous Successor Bank.

15. CONSENT OF THE TRANSACTION SECURITY TRUSTEE

If the Issuer requests that the Transaction Security Trustee grants its consent pursuant to Clause 39 (Actions of the Issuer Requiring Consent) hereof, the Transaction Security Trustee may grant or withhold the requested consent at its discretion taking into account what the Transaction Security Trustee believes to be the interests of the Beneficiaries, giving due regard to the provisions of Clause 3.1 (Position of Transaction Security Trustee in relation to the Beneficiaries). In any event, the Transaction Security Trustee shall give such consent if (regardless of whether the relevant action could, in the professional judgment of the Transaction Security Trustee, be materially prejudicial (*wesentlich nachteilig*) to the Beneficiaries) (a) the Transaction Security Trustee or the Issuer has notified each Rating Agency of such proposed action and (b) one or more Noteholders representing at least 66 2/3% of the then outstanding Class Principal Amount of the most senior outstanding Class of Notes (or, if no Notes remain outstanding, one or more Beneficiaries representing 51% of the then outstanding aggregate amount owed to all Beneficiaries) have given their consent to such action, it being understood that the Transaction Security Trustee shall have no obligation to request such confirmation nor to make such notification.

16. BREACH OF OBLIGATIONS BY THE ISSUER

16.1 If the Transaction Security Trustee in the course of its activities obtains knowledge that the existence or the value of the Note Collateral is at risk due to any failure of the Issuer properly to discharge its obligations under this Transaction Security Agreement or the other Transaction Documents (other than the Funding Loan Agreement) to which it is a party, the Transaction Security Trustee shall be authorised, at its discretion and subject to Clause 16.2 below, to take or initiate all actions which in the opinion of the Transaction Security Trustee are desirable or expedient to avert such risk. To the extent that the Issuer, in the opinion of the Transaction Security Trustee, does not duly discharge its obligations pursuant to Clause 34 (Transfer of Note Collateral) in respect of the Note Collateral, the Transaction Security Trustee shall in particular be authorised and obliged to exercise all rights arising under the relevant Transaction Documents on behalf of the Issuer.

16.2 The Transaction Security Trustee shall only be obliged to intervene in accordance with Clause 16.1 if, and to the extent that, it is satisfied that it will be fully indemnified or secured (either by reimbursement of costs, its ranking under the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) or in any other way it deems appropriate) against all costs and expenses resulting from its activities (including fees for retaining counsel, banks, auditors or other experts as well as the expenses of retaining third parties to perform certain duties) and against all liabilities (except for costs, expenses and liabilities which arise from its own negligence, wilful misconduct or fraud), obligations and attempts to bring any action in or outside court. Clause 35 (Standard of Care for Liability) shall remain unaffected.

17. FURTHER OBLIGATIONS

17.1 The Transaction Security Trustee shall perform its tasks and obligations under the other Transaction Documents to which it is a party in accordance with this Transaction Security Agreement.

17.2 The Transaction Security Trustee shall, unless otherwise provided for under this Transaction Security Agreement, decide on any consents or approvals to be given by it pursuant to the other Transaction Documents in its reasonable discretion in accordance with this Transaction Security Agreement (in particular Clause 36 (General) hereof).

18. POWER OF ATTORNEY

The Issuer hereby grants the Transaction Security Trustee power of attorney, waiving, to the fullest extent permitted under applicable law, the restrictions of Section 181 of the German Civil Code

(*Bürgerliches Gesetzbuch*) and any similar restrictions under the laws of any other countries, with the right to grant substitute power of attorney, to act in the name of the Issuer with respect to all rights of the Issuer arising under the Transaction Documents (except for the rights *vis-à-vis* the Transaction Security Trustee). Such power of attorney shall be irrevocable. It shall expire as soon as a New Transaction Security Trustee has been appointed pursuant to Clauses 32 (Resignation) or 33 (Replacement of Transaction Security Trustee) and the Issuer has issued a power of attorney to such New Transaction Security Trustee having the same content as the power of attorney previously granted in accordance with the provisions of this Clause 18 (Power of Attorney). The Transaction Security Trustee shall only act under this power of attorney in relation to the exercise of its rights and obligations under this Transaction Security Agreement.

19. ENFORCEMENT OF NOTE COLLATERAL

19.1 Issuer Event of Default

The Note Collateral shall be subject to enforcement upon the occurrence of an Issuer Event of Default. The Transaction Security Trustee shall without undue delay, but in any event no later than within ten (10) Business Days upon obtaining knowledge of an Issuer Event of Default, give notice thereof to the Noteholders pursuant to Clause 19.3 (Notification) and each other Beneficiary as well as the Rating Agencies pursuant to Clause 41 (Notices).

19.2 Enforcement of Note Collateral

Upon being notified by any person of the occurrence of an Issuer Event of Default, the Transaction Security Trustee shall enforce or cause enforcement of the Note Collateral in a manner determined at its reasonable discretion, subject to Clause 19.3 (Notification) and Clause 30 (Right to Indemnification) and in relation to the Note Collateral comprising the Pledges, if the requirements set forth in Sections 1273 *et seq.* and 1204 *et seq.* German Civil Code with regard to the enforcement of the Pledge and any related rights as referred to in Clause 5.6 (Pledge of Accounts) are met (*Pfandreife*), the Transaction Security Trustee shall (a) avail itself of all rights and remedies that a pledgee has upon default of a pledgor under the laws of Germany and (b) exercise its rights in accordance with this Agreement without obtaining an enforceable judgment or other instrument (*vollstreckbarer Titel*), notwithstanding Section 1277 German Civil Code, and the Transaction Security Trustee shall be entitled to revoke the power of withdrawal granted to the Issuer.

19.3 Notification

Without undue delay, but in any event no later than within ten (10) Business Days of the Transaction Security Trustee's obtaining knowledge of the occurrence of an Issuer Event of Default, the Transaction Security Trustee shall give notice to the Noteholders, each other Beneficiary as well as the Rating Agencies pursuant to Clause 41 (Notices), specifying the manner in which it intends to enforce the Note Collateral (in particular, whether it intends to sell the Note Collateral) and apply the proceeds from such enforcement to satisfy the obligations of the Issuer, subject to the Post-Enforcement Priority of Payments (as such term is defined in Clause 23.1 (Post-Enforcement Priority of Payments)). If, within thirty (30) calendar days of the publication of such notice, the Transaction Security Trustee receives written notice (a) from one or more Class A Noteholders representing at least 51% of the outstanding Class A Principal Amount, (b) if no Class A Notes are outstanding, from one or more Class B Noteholders representing at least 51% of the outstanding Class B Principal Amount, or (c) if no Notes remain outstanding, from any other Beneficiary or Beneficiaries representing at least 51% of the aggregate outstanding amount owed by the Issuer to all Beneficiaries, objecting to the action proposed in the Transaction Security Trustee's notice, the Transaction Security Trustee shall not undertake such action. In the event that (i) the Class A Noteholders, (ii) if no Class A Notes are outstanding, the Class B Noteholders, or (iii) if no Notes remain outstanding, the other Beneficiaries representing at least 51% of the aggregate outstanding amount owed by the Issuer to all Beneficiaries have notified such

objection to the Transaction Security Trustee, and (A) one or more Class A Noteholders representing at least 51% of the outstanding Class A Principal Amount, (B) if no Class A Notes are outstanding, one or more Class B Noteholders representing at least 51% of the outstanding Class B Principal Amount, or (C) if no Notes remain outstanding, any other Beneficiary or Beneficiaries representing at least 51% of the aggregate outstanding amount owed by the Issuer to all Beneficiaries, have not proposed (either together with such objection or within thirty (30) calendar days thereafter) to the Transaction Security Trustee an alternative action or have instructed the Transaction Security Trustee to propose alternative action, the Transaction Security Trustee shall be free to decide in its own discretion whether and what action to take *provided that* such action has not previously been objected to as herein contemplated. If the Transaction Security Trustee receives a written notice (a) from one or more Class A Noteholders representing at least 51% of the Class A Principal Amount or (b) if no Class A Notes are outstanding, from one or more Class B Noteholders representing at least 51% of the Class B Principal Amount, or (c) if no Notes remain outstanding, from any other Beneficiary or Beneficiaries representing at least 51% of the aggregate outstanding amount owed by the Issuer to all Beneficiaries, proposing a manner to enforce the Note Collateral, the Transaction Security Trustee shall undertake such action. The Transaction Security Trustee shall, however, not be obliged to undertake any action under this Clause 19.3 other than notification of the Noteholders of the occurrence of an Issuer Event of Default if (and as long as) it has requested from the Class A Noteholders, the Class B Noteholders or the other Beneficiaries (as the case may be) requesting such action an undertaking for full indemnification of the Transaction Security Trustee against any damages, losses, costs and expenses which might arise from such action and no such undertaking has been granted to it.

20. PAYMENTS UPON OCCURRENCE OF AN ISSUER EVENT OF DEFAULT

Upon the occurrence of an Issuer Event of Default:

- (a) The Note Collateral may be exercised, collected, claimed and enforced exclusively by the Transaction Security Trustee.
- (b) The Transaction Security Trustee shall deposit the proceeds of any enforcement which it receives in the Transaction Account held in the name of the Issuer (but only to the extent the rights and claims arising from or with respect to the Transaction Account have been validly pledged to it under this Transaction Security Agreement), or, in the event that the Transaction Security Trustee has opened a Transaction Account in its own name pursuant to Clause 14 (Accounts Termination) above, such account.
- (c) Payments on the obligations of the Issuer may not be made as long as, in the opinion of the Transaction Security Trustee, there is a risk that such payment will jeopardise the fulfilment of any later maturing obligation of the Issuer ranking with senior priority pursuant to and in accordance with the Post- Enforcement Priority of Payments (as such term is defined in Clause 23.1 (Post-Enforcement Priority of Payments)).
- (d) The Transaction Security Trustee shall make payments out of the proceeds of any enforcement of Note Collateral in accordance with Clause 23.2 (Post-Enforcement Priority of Payments).
- (e) Subject to the Post-Enforcement Priority of Payments, after all Transaction Secured Obligations have been satisfied in full, the Transaction Security Trustee shall pay out any remaining amounts to the Issuer.

21. CONTINUING DUTIES

For the avoidance of doubt and without affecting general applicable law with respect to any continuing effect of any other provisions of this Transaction Security Agreement, it is hereby agreed that Clauses

13 (Receipt and Custody of Documents; Notices) to 18 (Power of Attorney) shall continue to apply after the occurrence of an Issuer Event of Default.

22. ACCOUNTS; SET-OFF

22.1 The Transaction Account of the Issuer set up and maintained pursuant to the Accounts Agreement and this Transaction Security Agreement shall be used for receipt of amounts relating to the Transaction Documents and for the fulfilment of the payment obligations of the Issuer. The Commingling Reserve Account of the Issuer set up and maintained pursuant to the Accounts Agreement shall be reserved for any Commingling Reserve Amount which is transferred to the Issuer by the Seller following the occurrence of a Commingling Reserve Trigger Event. The Set-Off Reserve Account of the Issuer set up and maintained pursuant to the Accounts Agreement shall be reserved for any Set-Off Reserve Amount which is transferred to the Issuer by the Seller following the occurrence of a Set-Off Reserve Trigger Event.

The Purchase Shortfall Account of the Issuer set up and maintained pursuant to the Accounts Agreement shall be reserved for any Purchase Shortfall Amount which is transferred to the Issuer by the Seller following the occurrence of a Purchase Shortfall Event.

22.2 The Issuer shall ensure that all payments and transfers of securities made to the Issuer be made by way of a bank transfer to or deposit in the Transaction Account or, in case of a transfer of the Commingling Reserve Amount, to the Commingling Reserve Account or, in case of a transfer of the Set-Off Reserve Amount, to the Set-Off Reserve Account or, in case of a transfer of the Purchase Shortfall Amount, to the Purchase Shortfall Account. Should any amounts payable to the Issuer be paid in any way other than as set forth in the preceding sentence, the Issuer shall promptly credit such amounts to, or (as the case may be) deposit such securities in, the Transaction Account or, in case of the Commingling Reserve Amount, to the Commingling Reserve Account or, in case of the Set-Off Reserve Amount, to the Set-Off Reserve Account or, in case of a transfer of the Purchase Shortfall Amount, to the Purchase Shortfall Account. The Pre-Enforcement Priority of Payments and the Post-Enforcement Priority of Payments set out in Clause 23 (Post-Enforcement Priority of Payments) shall remain unaffected.

22.3 The Issuer shall not open any new bank account in addition to, or as a replacement of, the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account or the Purchase Shortfall Account, unless it has granted a security interest over any and all rights relating thereto to the Transaction Security Trustee under the relevant applicable law for the security purposes set out in Clause 7 (Security Purpose), and only after having obtained the consent of the Transaction Security Trustee in accordance with this Transaction Security Agreement. For the avoidance of doubt, upon notification to the Account Bank by the Transaction Security Trustee in respect of the occurrence of an Issuer Event of Default, the Transaction Security Trustee shall be entitled to exercise the rights of the Issuer under the Accounts Agreement assigned to the Transaction Security Trustee in accordance with this Transaction Security Agreement, including, without limitation, the right to give instructions to the Account Bank pursuant to the Accounts Agreement.

22.4 Without prejudice to Clause 44 (No Liability and No Right to Petition and Limitation on Payments), all payments by any party hereto (other than the Issuer and the Transaction Security Trustee) are to be rendered without any deduction or retention due to any set-off or counterclaim.

23. POST-ENFORCEMENT PRIORITY OF PAYMENTS

23.1 Upon the occurrence of an Issuer Event of Default and prior to the full discharge of all Transaction Secured Obligations, any credit (other than (a) any Transaction Cost Fee; (b) any interest earned on any balance credited to the Commingling Reserve Account and (c) any interest earned on any balance credited to the Set-Off Reserve Account) on the Transaction Account, on the Commingling Reserve Account, on the Set-Off Reserve Account and on the Purchase Shortfall Account (including, for the

avoidance of doubt, any account of the Transaction Security Trustee opened in accordance with Clause 14 (Accounts Termination)) and any proceeds obtained from the enforcement of the Note Collateral in accordance with Clause 19 (Enforcement of Note Collateral) (together, the **Credit**) shall be applied exclusively in accordance with the post- enforcement priority of payments (**Post-Enforcement Priority of Payments**) set out in Clause 23.2.

23.2 Upon the occurrence of an Issuer Event of Default, on any Payment Date any Credit shall be applied in the following order towards fulfilling the payment obligations of the Issuer, in each case only to the extent payments of a higher priority have been made in full:

first, to pay any obligation of the Issuer with respect to corporation and trade tax under any applicable law (if any) which is due and payable;

second, to pay any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), expenses and other amounts due and payable to the Transaction Security Trustee under the Transaction Documents;

third, to pay *pari passu* with each other on a pro rata basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the Corporate Administrator under the Corporate Administration Agreement, the Data Trustee under the Data Trust Agreement and the Account Bank under the Accounts Agreement, any amounts due by the Issuer in connection with the establishment of the Issuer, and any other amounts due and payable or which are expected to fall due and payable by the Issuer in connection with the liquidation or dissolution (if applicable) of the Issuer or any other fees, costs and expenses;

fourth, to pay *pari passu* with each other on a pro rata basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the legal advisers or auditors of the Issuer, the Rating Agencies (including any on-going monitoring fees), the Principal Paying Agent, the Cash Administrator and the Calculation Agent under the Agency Agreement, the relevant stock exchange on which the Notes may be listed, any listing agent, any intermediary between the Issuer, the Noteholders and the relevant stock exchange, the Common Safekeepers and any other relevant party with respect to the issue of the Notes;

fifth, to pay *pari passu* with each other on a pro rata basis any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the Servicer under the Servicing Agreement or otherwise, and any such amounts due to any substitute servicer or back-up servicer (including any expenses, costs and fees incurred in the course of replacement) for the Purchased Receivables and the Related Collateral which may be appointed from time to time in accordance with the Receivables Purchase Agreement or the Servicing Agreement and any such costs and expenses incurred by the Issuer itself in the event that the Issuer collects and/or services the Purchased Receivables or the Related Collateral;

sixth, to pay Class A Notes Interest due and payable on such Payment Date, pro rata on each Class A Note;

seventh, to pay any Class A Notes Principal as of such Payment Date, pro rata on each Class A Note until the Class A Notes have been redeemed in full;

eighth, after the Class A Notes have been redeemed in full, to pay Class B Notes Interest due and payable on such Payment Date, pro rata on each Class B Note;

ninth, to pay any Class B Notes Principal as of such Payment Date, pro rata on each Class B Note until the Class B Notes have been redeemed in full;

tenth, to pay interest (including accrued interest) due and payable under the Subordinated Loan Agreement;

eleventh, to pay any amounts owed by the Issuer to the Seller due and payable under the Receivables Purchase Agreement in respect of (a) any valid return of a direct debit (*Lastschriftückbelastung*) (to the extent such returns do not reduce the Collections for the Collection Period ending on the Cut-Off Date immediately preceding such Payment Date), (b) any tax credit, relief, remission or repayment received by the Issuer on account of any tax or additional amount paid by the Seller or (c) any Deemed Collection paid by the Seller for a Disputed Receivable which proves subsequently with *res judicata* (*rechtskräftig festgestellt*) to be an enforceable Purchased Receivable, or otherwise (including, for the avoidance of doubt, any claims of the Seller against the Issuer for breach of obligation) under the Receivables Purchase Agreement or other Transaction Documents;

twelfth, to repay outstanding principal due and payable under the Subordinated Loan Agreement; and

thirteenth, to pay any remaining amount to the Seller,

provided that any payment to be made by the Issuer under items *first* to *fifth* (inclusive) with respect to taxes shall be made on the Business Day on which such payment is then due and payable using the Credit.

24. RELATIONSHIP TO THIRD PARTIES

24.1 In relation to the Note Collateral, the Post-Enforcement Priority of Payments shall, subject to applicable law, be binding on all creditors of the Issuer, *provided that* in relation to any other assets of the Issuer, the Post-Enforcement Priority of Payments shall only apply internally between the Beneficiaries, the Transaction Security Trustee and the Issuer; in respect of third party relationships, the rights of the Beneficiaries and the Transaction Security Trustee shall have equal rank to those of third party creditors of the Issuer.

24.2 The Post-Enforcement Priority of Payments shall also apply if the Transaction Secured Obligations are transferred to third parties by way of assignment, subrogation into a contract or otherwise.

25. OVERPAYMENT

All payments to Beneficiaries which are parties to this Transaction Security Agreement shall be subject to the condition that, if a payment is made to a creditor in breach of the Post-Enforcement Priority of Payments, such creditor shall re-pay the amount so received to the Transaction Security Trustee by payment to the Transaction Account (including any account established by the Transaction Security Trustee in accordance with Clause 14 (Accounts Termination) hereof). The Transaction Security Trustee shall then pay out the monies so received in the way that they were payable in accordance with the Post-Enforcement Priority of Payments on the relevant Payment Date. If such overpayment is not repaid by the Payment Date following the overpayment or if the claim to repayment is not enforceable, the Transaction Security Trustee is authorised and obliged to make payments in such a way that any over- or underpayments made in breach of Clause 23.2 (Post-Enforcement Priority of Payments) are set off by correspondingly decreased or increased payments on such Payment Date (and, to the extent necessary, on all subsequent Payment Dates).

26. RETAINING THIRD PARTIES

26.1 In individual instances, the Transaction Security Trustee may, at market prices (if appropriate, after obtaining several offers), retain the services of (a) legal counsel, financial consultants, banks and other experts in Germany or elsewhere for the purpose of seeking information and advice to assist it in performing the duties assigned to it under this Transaction Security Agreement and any other Transaction Security Document, and/or (b) a suitable law firm, accounting firm or credit or trust institution for the purpose of delegating the entire or partial performance of the following duties:

- (a) the taking of specific measures under Clause 16 (Breach of Obligations by the Issuer), particularly the enforcement of certain claims of the Issuer or any Beneficiary;
- (b) enforcement of Note Collateral pursuant to Clause 19.2 (Enforcement of Note Collateral);
- (c) the settlement of payments under Clause 20 (Payments upon Occurrence of an Issuer Event of Default);
- (d) the settlement of over-payments under Clause 25 (Overpayment);
- (e) any other duty of the Transaction Security Trustee under this Transaction Security Agreement if the delegation of the entire or partial performance of such duty is not, in the discretion of the Transaction Security Trustee, subject to Clause 3.1 (Position of Transaction Security Trustee in relation to the Beneficiaries), materially prejudicial to the interests of the Beneficiaries,

(any of the aforementioned person so retained, a **retained third party**, and irrespective of whether such person is already retained by the Transaction Security Trustee, the Issuer, a Beneficiary, or any other person involved in the transactions in connection with the Transaction Documents).

Any fees, costs, charges and expenses, indemnity claims and any other amounts payable by the Transaction Security Trustee to such retained third parties shall be reimbursed by the Issuer.

26.2 (a) Subject to Clause 26.2(b), the Transaction Security Trustee may rely on such retained third parties and any information and advice obtained therefrom without having to make its own investigations or to supervise such retained parties. The Transaction Security Trustee shall not be liable for the performance or non-performance or any wilful misconduct or negligence of such retained third parties (*Vorsatz und Fahrlässigkeit*).

(b) The Transaction Security Trustee shall be liable for any damages or losses caused by it relying on such retained third parties or acting in reliance on information or advice of such retained third parties only in accordance with Clause 35 (Standard of Care for Liability).

26.3 The Transaction Security Trustee may sub-contract or delegate the performance of some (but not all) or any of its obligations other than those referred to in Clause 26.1 *provided that* the Transaction Security Trustee shall not thereby be released or discharged from and shall remain responsible for the performance of such obligations and the performance or non-performance, and the manner of performance, of any sub-contractor or delegate of any of such delegated obligations shall not affect the Transaction Security Trustee's obligations. Any breach in the performance of the delegated obligations by such sub-contractor or delegate shall not be treated as a breach of obligation by the Transaction Security Trustee pursuant to Section 278 of the German Civil Code (*Bürgerliches Gesetzbuch*); however, the Transaction Security Trustee shall remain liable for diligently selecting and supervising such sub-contractors and delegates in accordance with Clause 35 (Standard of Care for Liability) hereof.

26.4 The Transaction Security Trustee shall promptly notify in writing the Rating Agencies of every retainer of a third party made pursuant to this Clause 26 (Retaining Third Parties) (such notice to include the name of the third party).

27. REPRESENTATIONS AND WARRANTIES OF THE ISSUER

The Issuer hereby represents and warrants that, as of the date of execution of this Transaction Security Agreement:

- (a) it is a company duly incorporated under the laws of Germany with power to enter into this Transaction Security Agreement and each other document and agreement relating hereto and to exercise its rights and perform its obligations hereunder and thereunder and all corporate and other action required to authorise the execution of and the performance by the Issuer of its obligations hereunder and thereunder has been duly taken;
- (b) under the laws of Germany in force as of the date of execution of this Transaction Security Agreement, it will not be required to make any deduction or withholding from any payment it may make under this Transaction Security Agreement or any other document or agreement relating thereto to which it is expressed to be a party;
- (c) in any proceedings taken in Germany in relation to all or any of this Transaction Security Agreement and each other document and agreement relating hereto it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process;
- (d) all acts, conditions and things required to be done, fulfilled and performed in order (i) to enable it lawfully to enter into, exercise its rights under and perform and comply with the obligations expressed to be assumed by it in this Transaction Security Agreement and each other document and agreement relating hereto and (ii) to ensure that the obligations expressed to be assumed by it herein and therein are legal, valid, binding and enforceable have been done, fulfilled and performed;
- (e) no action or administrative proceeding of or before any court or agency has been started or (to the best of its knowledge and belief) threatened as to which, in its judgment there is a likelihood of an adverse judgment which would have a material adverse effect on its business or financial condition or on its ability to perform its obligations under any of this Transaction Security Agreement or the other documents and agreements relating hereto;
- (f) save for the Transaction Security Documents it has not created any encumbrance over all or any of its present or future revenues or assets and the execution of this Transaction Security Agreement and each other document and agreement relating hereto and the exercise by it of its rights and performance of its obligations hereunder and thereunder will not result in the existence of nor oblige it to create any encumbrance over all or any of its present or future revenues or assets except as provided therein;
- (g) the execution of this Transaction Security Agreement and each other document and agreement relating hereto and the exercise by it of its rights and performance of its obligations hereunder and thereunder do not constitute and will not result in any breach of any agreement or treaty to which it is a party or which is binding upon it;
- (h) the execution of this Transaction Security Agreement and each other document and agreement relating hereto constitute, and the exercise of its rights and performance of its obligations hereunder and thereunder will constitute, private and commercial acts done and performed for private and commercial purposes;

- (i) no Issuer Event of Default has occurred and is continuing;
- (j) its obligations hereunder were entered into on arm's length terms; and
- (k) it has opened each of the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account with the Account Bank.

28. FEES

The Issuer shall pay the Transaction Security Trustee a fee as separately agreed upon between the Issuer and the Transaction Security Trustee in a fee letter dated on or about 21 April 2015.

29. REIMBURSEMENT OF EXPENSES

In addition to the remuneration of the Transaction Security Trustee, the Issuer shall pay all reasonable out-of-pocket costs, charges and expenses (including, without limitation, legal and travelling expenses and fees and expenses of its agents, delegates and advisors) which the Transaction Security Trustee properly incurs in relation to the negotiation, preparation and execution of this Transaction Security Agreement and the other Transaction Documents, any action taken by it under or in relation to this Transaction Security Agreement or any of the other Transaction Documents or any amendment, renewals or waivers made in accordance with the Transaction Documents in respect hereof.

30. RIGHT TO INDEMNIFICATION

- 30.1 The Issuer shall indemnify the Transaction Security Trustee in respect of all proceedings (including claims and liabilities in respect of taxes other than on the Transaction Security Trustee's income taxes or other general taxes due and payable in the ordinary course of business, income or gains and subject to Clause 31.2 (Taxes)), losses, claims and demands and all costs, charges, expenses, and liabilities to which the Transaction Security Trustee (or any third party pursuant to Clause 26 (Retaining Third Parties)) may be or become liable or which may be incurred by the Transaction Security Trustee (or any such third party) in respect of anything done or omitted in relation to this Transaction Security Agreement and any of the other Transaction Documents (other than the Funding Loan Agreement), unless such costs and expenses are incurred by the Transaction Security Trustee due to a breach of the duty of care provided for in Clause 35 (Standard of Care for Liability).

For the avoidance of doubt it is hereby agreed that any indemnities shall be owed by the Issuer and that the Transaction Security Trustee has no right of indemnification against the Beneficiaries hereunder unless it has received instruction from any Beneficiary or Beneficiaries (other than the Noteholders) in accordance with Clause 19.3 (Notification).

- 30.2 The Transaction Security Trustee shall not be bound to take any action under or in connection with this Transaction Security Agreement or any other Transaction Document or any document executed pursuant to any of them including, without limitation, forming any opinion or employing any agent, unless in all cases, it is fully indemnified or secured (including under the Post-Enforcement Priority of Payments), and is reasonably satisfied that the Issuer will be able to honour any indemnity in accordance with the Post-Enforcement Priority of Payments as set out in Clause 23.2 (Post-Enforcement Priority of Payments) hereof, against all liabilities, proceedings, claims and demands to which it may be or become liable and all costs, charges and expenses which may be incurred by it in connection with them for which purpose the Transaction Security Trustee may require payment in advance of such liabilities being incurred of an amount which it considers (without prejudice to any further demand) sufficient to indemnify it or security satisfactory to it.

31. TAXES

- 31.1 The Issuer shall bear all stamp duties, transfer taxes and other similar taxes incurred by the Transaction Security Trustee, duties or charges which are imposed in Germany on or in connection with (a) the creation of, holding of, or enforcement of the Note Collateral, (b) any action taken by the Transaction Security Trustee pursuant to the Terms and Conditions of the Notes or the other Transaction Documents, and (c) the issue of the Notes or the conclusion of Transaction Documents.
- 31.2 All payments of fees and reimbursements of expenses to the Transaction Security Trustee shall include any turnover taxes, value added taxes or similar taxes, other than taxes on the Transaction Security Trustee's income taxes or other general taxes due and payable in the ordinary course of business, which are imposed in the future on the services of the Transaction Security Trustee.

32. RESIGNATION

32.1 Resignation

The Transaction Security Trustee may resign from its office as Transaction Security Trustee at any time by giving two months prior written notice, *provided that* upon or prior to the last Business Day of such notice period a reputable accounting firm or financial institution or other suitable service provider which is experienced in the business of transaction security trusteeship in the context of securitisations of assets originated in Germany and which has obtained any required authorisations and licences (including, without limitation, registration under the German Legal Services Act (*Rechtsdienstleistungsgesetz*) to collect and enforce receivables and related collateral) (an **Eligible Institution**) has been appointed by the Issuer as successor (the **New Transaction Security Trustee**) and such appointee assumes all rights and obligations arising from this Transaction Security Agreement and each other Transaction Document to which the Transaction Security Trustee is a party and which has been furnished with all authorities and powers that have been granted to the Transaction Security Trustee. The Transaction Security Trustee shall promptly notify in advance and in writing the Issuer and the Rating Agencies of its intention of resignation. The Issuer shall, upon receipt of the written notice of resignation referred to in the first sentence of this Clause 32.1 (Resignation), promptly appoint an Eligible Institution as New Transaction Security Trustee. The Transaction Security Trustee shall have the right (but no obligation) to nominate a New Transaction Security Trustee for appointment by the Issuer. The Issuer shall have the right to veto any nomination of a New Transaction Security Trustee by the resigning Transaction Security Trustee if such New Transaction Security Trustee is not an Eligible Institution or if any other Eligible Institution has been appointed by the Issuer to be the New Transaction Security Trustee and has accepted such appointment. The proposed appointment of the New Transaction Security Trustee shall further be subject to Clauses 32.2 (Effects of Resignation) and 34.4 (Notification; Publications) below.

32.2 Effects of Resignation

Any termination of the appointment of the Transaction Security Trustee shall not become effective unless (a) the Issuer has been liquidated and the proceeds of liquidation distributed to the Noteholders and the other Beneficiaries in accordance with this Transaction Security Agreement or, if earlier, no obligations under the Notes and the other Transaction Secured Obligations are outstanding, or (b) a New Transaction Security Trustee has been appointed and has accepted such transaction security trusteeship (subject to Clause 34.4 (Notification; Publications) below).

32.3 Continuation of Rights and Obligations

Notwithstanding a termination pursuant to Clause 32.1 (Resignation), the rights and obligations of the Transaction Security Trustee under all the Transaction Documents to which it is a party shall continue until the appointment of the New Transaction Security Trustee has become effective and the assets and

rights have been assigned, transferred or pledged to it pursuant to Clause 34.1 (Transfer of Note Collateral). None of the provisions of this Clause 32 shall affect the right of the Transaction Security Trustee to resign from its office for good cause (*aus wichtigem Grund*) with immediate effect.

33. REPLACEMENT OF TRANSACTION SECURITY TRUSTEE

The Issuer shall be authorised and obliged to replace the Transaction Security Trustee under all Transaction Documents to which the Transaction Security Trustee is a party with a reputable accounting firm or financial institution (which is experienced in the business of transaction security trusteeship in securitisation transactions and which has obtained any required authorisations, registrations and licences), if the Issuer has been so instructed in writing by (a) one or more Class A Noteholders representing at least 25% of the outstanding Class A Principal Amount, unless Class A Noteholders representing at least 50% of the outstanding Class A Principal Amount instruct the Issuer not to replace the Transaction Security Trustee, (b) if no Class A Notes are outstanding, one or more Class B Noteholders representing at least 25% of the outstanding Class B Principal Amount, unless Class B Noteholders representing at least 50% of the outstanding Class B Principal Amount instruct the Issuer not to replace the Transaction Security Trustee or (c) if no Notes remain outstanding, any Beneficiary or Beneficiaries representing at least 25% of all Beneficiaries to which any amounts are owed, unless Beneficiaries representing at least 50% of all Beneficiaries to which any amounts are owed instruct the Issuer not to replace the Transaction Security Trustee. Any replacement of the Transaction Security Trustee shall be notified by the Issuer to the Rating Agencies by giving not less than thirty (30) calendar days' notice.

34. TRANSFER OF NOTE COLLATERAL

34.1 Transfer of Note Collateral

In the case of a replacement of the Transaction Security Trustee pursuant to Clause 32 (Resignation) or Clause 33 (Replacement of Transaction Security Trustee), the Transaction Security Trustee shall forthwith assign, transfer or pledge the Note Collateral and other assets and other rights it holds as fiduciary (*Treuhänder*) under any Transaction Security Document, as well as its Transaction Security Trustee Claim under Clause 4 (Position of Transaction Security Trustee in relation to the Issuer) and the pledges granted to it pursuant to Clause 5.6 (Pledge of Accounts) and Clause 6 (Pledge) to the New Transaction Security Trustee. Without prejudice to this obligation, the Issuer shall hereby be irrevocably authorised to effect such assignment, transfer or pledge on behalf of the Transaction Security Trustee as set out in the first sentence and is for that purpose exempted to the fullest extent permitted under applicable law from the restrictions under Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and any similar provisions contained in the laws of any other country.

34.2 Assumption of Obligations

In the event of a replacement of the Transaction Security Trustee pursuant to Clause 32 (Resignation) or Clause 33 (Replacement of Transaction Security Trustee), the Transaction Security Trustee shall reach an agreement with the New Transaction Security Trustee that the New Transaction Security Trustee assumes the obligations of the Transaction Security Trustee under each Transaction Document to which the Transaction Security Trustee is a party.

34.3 Costs

The costs incurred in connection with replacing the Transaction Security Trustee pursuant to Clause 32 (Resignation) or Clause 33 (Replacement of Transaction Security Trustee) shall be borne by the Issuer. If such replacement is due to the conduct of the Transaction Security Trustee constituting good cause (*wichtiger Grund*) for termination, the Issuer shall be entitled, without prejudice to any additional rights, to claim damages from the Transaction Security Trustee in the amount of such costs.

34.4 Notification; Publications

The appointment of a New Transaction Security Trustee in accordance with Clause 32 (Resignation) or Clause 33 (Replacement of Transaction Security Trustee) shall be notified by the Issuer to the Rating Agencies. Following such notifications, the appointment of the New Transaction Security Trustee shall take effect and shall be (a) published without delay in accordance with the Terms and Conditions of the Notes or, if this is not possible, in any other appropriate way and (b) notified by email or facsimile to each Beneficiary other than the Noteholders.

34.5 Accounting

The Transaction Security Trustee shall be obliged to account to the New Transaction Security Trustee for its activities under or with respect to each Transaction Security Document.

34.6 Transfer of documents and information

The Transaction Security Trustee shall be obliged to provide the New Transaction Security Trustee with all documents and other information relating its activities under or with respect to each Transaction Security Document as the New Transaction Security Trustee may reasonably request.

35. STANDARD OF CARE FOR LIABILITY

The Transaction Security Trustee shall be liable for any breach of its obligations under this Transaction Security Agreement only if it fails to meet the standard of care it exercises in its own affairs (*Sorgfalt in eigenen Angelegenheiten*).

36. GENERAL

36.1 The Transaction Security Trustee shall not be liable for:

- (a) any action or failure to act of the Issuer or of other parties to the Transaction Documents;
- (b) the Transaction Documents (including any security interest created thereunder) not being legal, valid, binding or enforceable, or for the fairness of the provisions of the Transaction Documents; and
- (c) a loss of documents related to the Note Collateral not attributable to the negligence of the Transaction Security Trustee.

36.2 Each party to the Transaction Security Agreement shall provide the Transaction Security Trustee at its reasonable request with all additional information it deems necessary for the performance of its duties under the Transaction Documents.

36.3 The Transaction Security Trustee may call for and shall be at liberty to accept a certificate signed by any two directors of the Issuer as sufficient evidence of any fact or matter or the expediency of any transaction or thing, and to treat such a certificate to the effect that any particular dealing or transaction or step or thing is, in the opinion of the persons so certifying, expedient or proper as sufficient evidence that it is expedient or proper, and the Transaction Security Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss or liability that may be caused by acting on any such certificate.

36.4 The Transaction Security Trustee shall (save as otherwise expressly provided herein) as regards all the powers, authorities and discretions vested in it by or pursuant to any Transaction Document (including this Transaction Security Agreement) to which the Transaction Security Trustee is a party or conferred

upon the Transaction Security Trustee by operation of law (the exercise of which, as between the Transaction Security Trustee and the Beneficiaries, shall be conclusive and binding on the Beneficiaries) have discretion as to the exercise or non-exercise thereof and, provided it shall not have acted in violation of its standard of care as set out in Clause 35 (Standard of Care for Liability), the Transaction Security Trustee shall not be responsible for any loss, costs, damages, expenses or inconvenience that may result from the exercise or non-exercise thereof.

- 36.5 The Transaction Security Trustee, as between itself and the Beneficiaries, shall have full power to determine all questions and doubts arising in relation to any of the provisions of any Transaction Document and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Transaction Security Trustee, shall be conclusive and shall bind the Transaction Security Trustee and the Beneficiaries. In particular, the Transaction Security Trustee may determine whether or not any event described in this Transaction Security Agreement is, in its opinion, materially prejudicial to the interests of Beneficiaries and if the Transaction Security Trustee shall certify that any such event is, in its opinion, materially prejudicial, such certificate shall be conclusive and binding upon the Issuer and the relevant Beneficiaries.
- 36.6 The Transaction Security Trustee may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of any Transaction Document is capable of remedy and, if the Transaction Security Trustee shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer and the Beneficiaries.
- 36.7 Any consent given by the Transaction Security Trustee for the purposes of any Transaction Document may be given on such terms and subject to such conditions (if any) as the Transaction Security Trustee thinks fit in its discretion and, notwithstanding anything to the contrary contained in any Transaction Document may be given retrospectively.
- 36.8 The Transaction Security Trustee shall not be responsible for recitals, statements, warranties or representations of any party (other than those relating to or provided by it) contained in any Transaction Document or other document entered into in connection therewith and may rely on the accuracy and correctness thereof (absent actual knowledge to the contrary) and shall not be responsible for the execution, legality, effectiveness, adequacy, genuineness, validity or enforceability or admissibility in evidence of any such agreement or other document or security thereby constituted or evidenced. The Transaction Security Trustee may accept without enquiry, requisition or objection such title as the Issuer may have to the Note Collateral or any part thereof from time to time and shall not be bound to investigate or make any enquiry into the title of the Issuer to the Note Collateral or any part thereof from time to time.
- 36.9 The Transaction Security Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Transaction Security Trustee assigned by the Transaction Security Trustee to administer its corporate trust matters unless such officer or employee has failed to observe the standard of care provided for in Clause 35 (Standard of Care for Liability).
- 36.10 No provision of this Transaction Security Agreement shall require the Transaction Security Trustee to do anything which may be illegal or contrary to applicable law or regulation or expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights or powers or otherwise in connection with any Transaction Document (including, without limitation, forming any opinion or employing any legal, financial or other adviser), if it determines in its reasonable discretion that repayment of such funds or adequate indemnity against such risk or liability is not assured to it.
- 36.11 The Transaction Security Trustee shall not be responsible for the genuineness, validity, effectiveness or suitability of any Transaction Documents or any other documents entered into in connection therewith or any other document or any obligation or rights created or purported to be created thereby or pursuant

thereto or any security or the priority thereof constituted or purported to be constituted thereby or pursuant thereto, nor shall it be responsible or liable to any person because of any invalidity of any provision of such documents or the unenforceability thereof, whether arising from statute, law or decisions of any court and (without prejudice to the generality of the foregoing) the Transaction Security Trustee shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

- (a) the nature, status, creditworthiness or solvency of the Issuer or any other person or entity who has at any time provided any security or support whether by way of guarantee, charge or otherwise in respect of any advance made to the Issuer;
- (b) the execution, legality, validity, adequacy, admissibility in evidence or enforceability of any Transaction Document or any other document entered into in connection therewith;
- (c) the scope or accuracy of any representations, warranties or statements made by or on behalf of the Issuer or any other person or entity who has at any time provided any Transaction Document or in any document entered into in connection therewith;
- (d) the performance or observance by the Issuer or any other person of any provisions or stipulations relating to Notes or contained in any other Transaction Document or in any document entered into in connection therewith or the fulfilment or satisfaction of any conditions contained therein or relating thereto or as to the existence or occurrence at any time of any default, event of default or similar event contained therein or any waiver or consent which has at any time been granted in relation to any of the foregoing;
- (e) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection with the Transaction Documents;
- (f) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the Note Collateral or the Transaction Documents or the failure to effect or procure registration of or to give notice to any person in relation to or otherwise protect the security created or purported to be created by or pursuant to any of the Note Collateral or the Transaction Documents or other documents entered into in connection therewith; or
- (g) any accounts, books, records or files maintained by the Issuer or any other person in respect of any of the Note Collateral or the Transaction Documents.

36.12 The Transaction Security Trustee may, in the absence of actual knowledge to the contrary, assume without enquiry that the Issuer and each of the other parties to the Transaction Documents is duly performing and observing all of the provisions of those documents binding on or relating to it and that no event has happened which constitutes an Issuer Event of Default.

37. UNDERTAKINGS OF THE ISSUER IN RELATION TO THE NOTE COLLATERAL

The Issuer hereby undertakes *vis-à-vis* the Transaction Security Trustee:

- (a) not to sell the Note Collateral and to refrain from all actions and omissions to act (excluding, for the avoidance of doubt, the collection and enforcement of the Note Collateral in the ordinary course of business or otherwise dealing with the Note Collateral in accordance with the Transaction Documents) which may result in a significant (*wesentlichen*) decrease in the aggregate value or in a loss of the Note Collateral;

- (b) promptly to notify the Transaction Security Trustee in the event of becoming aware that the rights of the Transaction Security Trustee in the Note Collateral are impaired or jeopardised by way of an attachment or other actions of third parties, by sending a copy of the attachment or transfer order or of any other document on which the enforcement claim of the third party is based and which it has received, as well as all further documents available to it which are required or useful to enable the Transaction Security Trustee to file proceedings and take other actions in defence of its rights. In addition, the Issuer shall promptly inform the attachment creditor (*Pfändungsgläubiger*) and other third parties in writing of the rights of the Transaction Security Trustee in the Note Collateral; and
- (c) to permit the Transaction Security Trustee or its representatives to inspect its books and records at any time during usual business hours for purposes of verifying and enforcing the Note Collateral, to give any information necessary for such purpose, and to make the relevant records available for inspection.

38. OTHER UNDERTAKINGS OF THE ISSUER

38.1 The Issuer undertakes to:

- (a) promptly notify the Transaction Security Trustee and the Rating Agencies in writing if circumstances occur which constitute an Issuer Event of Default;
- (b) give the Transaction Security Trustee at any time such other information available to it which the Transaction Security Trustee may reasonably demand for the purpose of performing its duties under the Transaction Documents;
- (c) send to the Transaction Security Trustee one copy in English (translated if necessary at the Issuer's cost from German by a publicly appointed and sworn translator) of any schedule on the origin and the allocation of funds, any report or notice or any other memorandum as well as any balance sheet, any profit and loss accounts and other statements (such balance sheet, profit and loss accounts and other statements only to be translated at the Issuer's cost from German if reasonably requested by the Transaction Security Trustee in writing) sent out by the Issuer to its shareholders either at the time of the mailing of those documents to the shareholders or as soon as possible thereafter;
- (d) send or have sent to the Transaction Security Trustee a copy of any notice given to the Noteholders in accordance with the Terms and Conditions of the Notes immediately, or at the latest, on the day of the publication of such notice;
- (e) ensure that the Principal Paying Agent notifies the Corporate Administrator, the Cash Administrator, the Transaction Security Trustee and the Rating Agencies immediately if it does not receive the monies needed to discharge in full any obligation to pay or repay the full or partial principal or interest amounts due to the Noteholders and/or the Notes on any Payment Date;
- (f) notify the Transaction Security Trustee of any written amendment to any Transaction Document under which rights of the Transaction Security Trustee arise and to which the Transaction Security Trustee is not a party;
- (g) to have always at least one managing director (*Geschäftsführer*);
- (h) not to enter into any other agreements unless (i) such agreement contains **limited recourse**, **non-petition** and **limitation on payments** provisions as set out in Clause 44 (No Liability and No Right to Petition and Limitation on Payments) of this Transaction Security Agreement and

any third party replacing any of the parties to the Transaction Documents (other than the Funding Loan Agreement) is allocated the same ranking in the Pre-Enforcement Priority of Payments and the Post-Enforcement Priority of Payments as was allocated to such creditor and, such third party accedes to this Transaction Security Agreement as Replacement Beneficiary in accordance with Clause 40 (Accession of Replacement Beneficiaries) and (ii) such agreement has been notified in writing to each Rating Agency;

- (i) do all such things as are necessary to maintain and keep in full force and effect its corporate existence;
- (j) ensure that it has the capacity and is duly qualified to conduct its business as it is conducted in all applicable jurisdictions;
- (k) procure that no change is made to the general nature or scope of its business from that carried on at the date of this Transaction Security Agreement;
- (l) carry on and conduct its business in its own name and in all dealings with all third parties and the public, identify itself by its own corporate name as a separate and distinct entity and not identify itself as being a division or part of any other entity whatsoever;
- (m) hold itself out as a separate entity from any other person or entity and take reasonable measures to correct any misunderstanding regarding its separate identity known to it; and prepare and maintain its own full and complete books, records, stationary, invoices and checks, and financial statements separately from those of any other entity including, without limitation, any related company and shall ensure that any such financial statements will comply with generally accepted accounting principles;
- (n) observe all corporate and other formalities required by its constitutional documents;
- (o) maintain adequate capital in light of its contemplated business operations and pay its own liabilities out of its own funds;
- (p) three months prior to the expiry of the exemption from withholding tax (and solidarity surcharge thereon) for interest paid on the Purchased Receivables granted in favour of the Issuer and evidenced by a certificate issued by the competent tax authority in Germany (*Dauerüberzahlerbescheinigung*), the Issuer shall apply for a renewal of such exemption;
- (q) unless the following notifications have already been made pursuant to another Transaction Document, without undue delay following the termination of the Servicer, to notify, or procure notification of, each Debtor of the assignment of the relevant Purchased Receivables and the Related Collateral and to provide such Debtor with the contact details of the Issuer in accordance with Section 496(2) of the German Civil Code (*Bürgerliches Gesetzbuch*); and
- (r) subject to being provided by the Servicer with the relevant loan level details as contemplated by the Servicing Agreement, to use its best efforts to make loan level details available in such manner as may be required in the future to comply with the Eurosystem eligibility criteria set out in the Guideline of the European Central Bank on monetary policy instruments and procedure of the Eurosystem (ECB/2000/7), as amended from time to time, subject to applicable data protection laws.

38.2 The Issuer undertakes that it will not, save as contemplated or permitted by this Transaction Security Agreement or any other Transaction Document:

- (a) sell, transfer or otherwise dispose of or cease to exercise direct control over any part of its present or future undertaking, assets, rights or revenues or otherwise dispose of or use, invest or otherwise deal with any of its assets or undertaking or grant any option or right to acquire the same, whether by one or a series of transactions related or not;
- (b) enter into any amalgamation, demerger, merger or corporate reconstruction;
- (c) make any loans, grant any credit or give any guarantee or indemnity to or for the benefit of any person or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any other person or hold out its credit as being available to satisfy the obligations of third parties;
- (d) permit its assets to become commingled with those of any other entity; and
- (e) permit its accounts and the debts represented thereby to become commingled with those of any other entity.

39. ACTIONS OF THE ISSUER REQUIRING CONSENT

39.1 So long as any part of the Notes remains outstanding, the Issuer shall not be entitled, without the prior written approval of the Transaction Security Trustee (such approval shall not be given unless each Rating Agency has been notified in writing of such action) or unless required by applicable law, to:

- (a) engage in any business or any other activities other than:
 - (i) the performance of its obligations under the Notes and the other Transaction Documents to which it is a party and under any other agreements which have been entered into in connection with the issue of the Notes or the other Transaction Documents;
 - (ii) the enforcement of its rights;
 - (iii) the performance of any acts which are necessary or desirable in connection with (i) or (ii) above; and
 - (iv) the execution of all further documents (including, for the avoidance of doubt, amendment agreements) and undertaking of all other actions, at any time and to the extent permitted by law, which, in the opinion of the Transaction Security Trustee, are necessary or desirable having regard to the interests of the Noteholders in particular, without limitation, in order to ensure that the Terms and Conditions of the Notes are always valid;
- (b) hold shares in any entity;
- (c) dispose of any assets or any part thereof or interest therein, unless permitted or contemplated under (a) above;
- (d) pay dividends or make any other distribution to its shareholders in excess of EUR 1,000 per annum (determined prior to the deduction of any taxes);
- (e) acquire obligations or securities of its shareholders;
- (f) incur further indebtedness (other than as contemplated in (a) above);

- (g) have any employees or own any real estate asset;
- (h) create or permit to subsist any mortgage, lien, pledge, security interest or other encumbrance in respect of any of its assets (except as hereunder permitted and except as otherwise contemplated in (a) above);
- (i) consolidate or merge with or into any other person or convey or transfer its properties or assets substantially as an entirety to any other person;
- (j) materially amend its articles of association (*Gesellschaftsvertrag*);
- (k) issue new shares or acquire or repurchase shares, or capital or declare or pay dividends or any other distributions of any kind whatsoever (other than the dividends provided for under Clause 39.1(d) above and except as contemplated by the Transaction Documents); or
- (l) open new accounts (other than as contemplated in Clause 39.1(d) above or with a Successor Bank as contemplated in Clause 14.2(a) above).

39.2 Notwithstanding any provision to the contrary in this Transaction Security Agreement or in any other Transaction Document and subject to the Issuer's compliance with all of its obligations under Clause 5.3 above, each Party agrees that no consent of the Transaction Security Trustee shall be required with respect to (a) any replacement or substitution of a party to any Transaction Document (including, without limitation, any replacement or substitution made or proposed to be made for the purpose of averting an expected or imminent downgrade or withdrawal, or reversing a downgrade or withdrawal, of any minimum rating set forth in any Transaction Document) and (b) any amendment or termination of any Transaction Document, and/or entry into any supplemental, substitute or additional document, in each case in connection with such replacement or substitution referred to under (a) above, *provided that* the Issuer shall not enter into any such supplemental, substitute or additional document if the Issuer receives, no later than on the fifth (5th) Business Day following notification and provision of the draft document by or on behalf of the Issuer to the Transaction Security Trustee, a notice from the Transaction Security Trustee to the effect that, in the reasonable view of the Transaction Security Trustee, such document would (if entered into) be in whole or in part materially prejudicial (*wesentlich nachteilig*) to the interests of the holders of the then outstanding most senior Class of Notes and *provided further that* the Issuer shall notify each of the Rating Agencies in writing of any replacement or substitution effected in accordance with this Clause 39.1.

40. ACCESSION OF REPLACEMENT BENEFICIARIES

40.1 Any party replacing any of the parties to an existing or future Transaction Document shall become a party (or add a new capacity as a party hereto) to this Transaction Security Agreement (each, a **Replacement Beneficiary**) (without affecting any rights under general applicable law of such Replacement Beneficiary or under any agreement with any other party to the Transaction Documents (other than the Funding Loan Agreement)) upon execution of an accession agreement (the **Accession Agreement**) by the Transaction Security Trustee and any Replacement Beneficiary in the form of Schedule 2 hereto.

40.2 The Transaction Security Trustee is hereby irrevocably authorised to execute such Accession Agreement for and on behalf of the Issuer, and the Beneficiaries pursuant to Schedule 2 hereto and to determine the ranking of any Replacement Beneficiary within the order of priorities provided for in the Post-Enforcement Priority of Payments, *provided that*, without prejudice to Clause 3.1 (Position of Transaction Security Trustee in relation to the Beneficiaries), the Transaction Security Trustee shall allocate to the Replacement Beneficiary the same ranking as was allocated to the Beneficiary so replaced. Each party to this Transaction Security Agreement is hereby irrevocably exempted to the fullest extent possible under applicable law from the restrictions set out in Section 181 of the German

Civil Code (*Bürgerliches Gesetzbuch*) and any similar provisions under any applicable law of any other country.

41. NOTICES

41.1 Subject to Clause 41.4, all notices under this Transaction Security Agreement shall be made in English by mail or by telefax which shall be confirmed by mail.

41.3 (a) The Transaction Security Trustee shall not be liable for any Losses arising or caused by it receiving or transmitting Instructions from or to the Issuer or any Authorised Person by means of any facsimile or email, provided, however, that such Losses, so incurred have not arisen from the gross negligence, fraud or wilful misconduct of the Transaction Security Trustee.

(b) The Issuer acknowledges that communication by way of facsimile and email are not secure and accepts the limitation of liability on the part of the Transaction Security Trustee as set out in Clause 41.3. The Issuer shall use all reasonable endeavours to ensure that any Instruction transmitted or communicated by it or any Authorised Person to the Transaction Security Trustee pursuant to this Transaction Security Agreement is complete and correct.

For the purposes of this Clause 41, the following terms shall have the following specific meanings:

Authorised Person shall mean any person who is designated in writing by the Issuer from time to time to give Instructions to the Transaction Security Trustee under the terms of this Transaction Security Agreement.

Instructions shall mean any notices, directions or instructions in written form (in text form) received by the Transaction Security Trustee in accordance with this Transaction Security Agreement from an Authorised Person or from a person reasonably believed by the Transaction Security Trustee to be an Authorised Person.

Losses shall mean any and all claims, losses, liabilities, damages, costs, expenses and judgments (including legal fees and expenses) sustained by any party to the Transaction Documents or any Noteholder due to the contents contained in any Instruction received by Transaction Security Trustee from any Authorised Person being incomplete or incorrect.

41.4 All notices to the Noteholders by the Transaction Security Trustee under or in connection with this Transaction Security Agreement or the Notes shall either be (a) delivered to Euroclear and Clearstream Luxembourg for communication by it to the Noteholders or (b) made available for a period not less than thirty (30) calendar days but in any case only as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange on the following website: www.bourse.lu.

Any such notice referred to under Clause 41.4(a) shall be deemed to have been given to all Noteholders on the seventh (7th) calendar day after the day on which such notice was delivered to the ICSDs. Any notice referred to under Clause 41.4(b) shall be deemed to have been given to all Noteholders on the day on which it is made available on the website, *provided that* if so made available after 4:00 p.m. (Frankfurt time) it shall be deemed to have been given on the immediately following calendar day.

42. SEVERABILITY; CO-ORDINATION

42.1 Without prejudice to any other provision hereof, if one or more provisions hereof is or becomes invalid, illegal or unenforceable for any reason in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party or parties shall not, to the fullest extent permitted by applicable law, render invalid, illegal or unenforceable such

provision or provisions in any other jurisdiction or with respect to any other party or parties hereto. Such invalid, illegal or unenforceable provision shall be replaced by means of supplementary interpretation (*ergänzende Vertragsauslegung*) with a provision which comes as close as reasonably possible to the commercial intentions of the invalid, illegal or unenforceable provision. In the event of any contractual gaps, that provision shall be considered as agreed upon which most closely approximates the intended commercial purpose hereof.

This Transaction Security Agreement shall not be affected by the invalidity, illegality or unenforceability with respect to any provision in any jurisdiction or with respect to any party of any other Transaction Document or amendment agreement thereto.

- 42.2 The Parties mutually agree to take all measures and actions that become necessary under Clause 42.1 or for other reasons for the continued performance of this Transaction Security Agreement.

43. VARIATIONS, REMEDIES AND WAIVERS

- 43.1 No variation of this Transaction Security Agreement (including to this Clause 43) shall be effective unless it is in writing, unless expressly provided otherwise, and *provided that* each Rating Agency has been notified in writing of such variation. Waivers of this requirement as to form shall also be made in writing. Any requirement of a written form (*Schriftformerfordernis*) agreed between the parties to this Transaction Security Agreement shall not prevent the parties from making a reference to any other agreement or document which is not attached as such to this Transaction Security Agreement. The Issuer and the Transaction Security Trustee shall immediately inform the Rating Agencies in writing of any variation of this Transaction Security Agreement.

- 43.2 This Transaction Security Agreement may be amended by the Issuer and the Transaction Security Trustee without the consent of the Beneficiaries (but with effect for the Beneficiaries) if such amendments, in the opinion of the Transaction Security Trustee, do not significantly adversely affect the interests of the Beneficiaries. For that purpose the Transaction Security Trustee is hereby irrevocably authorised to execute such amendments for and on behalf of the Beneficiaries and is hereby irrevocably exempted to the fullest extent permitted under applicable law from the restrictions set out in Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and any similar provisions under any applicable law of any other country.

- 43.3 No failure to exercise, nor any delay in exercising, on the part of any party hereto, any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy.

- 43.4 The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law or any other Transaction Document.

44. NO LIABILITY AND NO RIGHT TO PETITION AND LIMITATION ON PAYMENTS

- 44.1 No recourse under any obligation, covenant, or agreement of the Issuer contained in this Transaction Security Agreement shall be held against any shareholder, officer, agent or managing director of the Issuer as such, by the enforcement of any obligation (including, for the avoidance of doubt, any obligation arising from false representations under this Transaction Security Agreement (other than by wilful default, fraud or gross negligence)) or by any proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Transaction Security Agreement is a corporate obligation of the Issuer and no liability shall attach to or be incurred by the shareholders, officers, agents or managing directors of the Issuer as such, or any of them, under or by reason of any of the obligations, covenants or agreements of such Issuer contained in this Transaction Security Agreement, or implied therefrom, and that any and all personal liability for breaches by the Issuer of any of such obligations, covenants or agreements, either at law or by statute or constitution, of every such

shareholder, officer, agent or managing director is hereby expressly waived by the other parties hereto as a condition of and consideration for the execution of this Transaction Security Agreement.

- 44.2 Each party hereby agrees with the other parties that they shall not (otherwise than as contemplated in this Transaction Security Agreement or any other Transaction Security Document), until the expiration of two years and one day after all outstanding amounts under the last maturing Note issued by the Issuer have been paid in full:
- (a) take any corporate action or other steps or legal proceedings for the winding-up, administration, examinership, dissolution or re-organisation or for the appointment of a receiver, administrator, examiner, administrative receiver, trustee in bankruptcy, liquidator, sequestrator or similar officer regarding some or all of the revenues and assets of the Issuer; or
 - (b) have any right to take any steps for the purpose of obtaining payment (other than through the enforcement of the Note Collateral) of any amounts payable to it under the Transaction Documents by the Issuer (including, for the avoidance of doubt, any payment obligation arising from false representations under this Transaction Security Agreement) and shall not until such time take any steps to recover any debts or liabilities of any nature whatsoever owing to it by the Issuer.
- 44.3 Notwithstanding any provision contained in any Transaction Security Document to the contrary, the Issuer shall not, and there shall be no obligation of the Issuer to, pay any amount pursuant to this Transaction Security Agreement unless the Issuer has received funds or has any other positive balance of net assets (*sonstiges freies Vermögen*) which may be used to make such payment in accordance with the Pre-Enforcement Priority of Payments. Each party hereto acknowledges that the obligations of the Issuer arising hereunder are limited recourse obligations payable solely from the proceeds of the Note Collateral and, following realisation of the Note Collateral or any other positive balance of net assets (*sonstiges freies Vermögen*) and the application of the proceeds thereof and of any other positive balance of net assets (*sonstiges freies Vermögen*) in accordance with the Post-Enforcement Priority of Payments set out in Clause 23 (Post-Enforcement Priority of Payments) of this Transaction Security Agreement, any claims of any party to this Transaction Security Agreement against the Issuer (and the obligations of the Issuer) shall be extinguished.
- 44.4 The provisions of this Clause 44 shall survive the termination of this Transaction Security Agreement.

45. APPLICABLE LAW; PLACE OF PERFORMANCE; JURISDICTION; MISCELLANEOUS

- 45.1 This Transaction Security Agreement (including, without limitation, any non-contractual obligation arising out of it) shall be governed by, and construed in accordance with, the German law.
- 45.2 Place of performance for all obligations of all parties is Mönchengladbach.
- 45.3 The courts of Frankfurt am Main shall have non-exclusive jurisdiction over disputes arising out of or in connection with this Transaction Security Agreement.

46. CONDITION PRECEDENT

The parties hereto hereby agree that this Transaction Security Agreement and the rights and obligations hereunder shall only become effective upon fulfilment of the condition precedent (*aufschiebende Bedingung*) that, on or about the Note Issuance Date, the Issuer has issued the Notes.

OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS

Receivables Purchase Agreement

On the Note Issuance Date, the Issuer will purchase Receivables from the Seller in accordance with the Receivables Purchase Agreement. During the Replenishment Period, the Seller may offer to sell to the Issuer Additional Receivables in accordance with the Receivables Purchase Agreement for an aggregate purchase price not exceeding the Replenishment Available Amount. The Issuer will be obligated to purchase and acquire Receivables for purposes of a Replenishment only to the extent that the obligation to pay the purchase price for the Receivables offered to the Issuer by the Seller for purchase on any Purchase Date can be satisfied by the Issuer by applying the Available Distribution Amount as of the Cut- Off Date immediately preceding the relevant Purchase Date in accordance with the Pre-Enforcement Priority of Payments. The obligation of the Issuer to pay the purchase price for any Additional Receivables in accordance with the Receivables Purchase Agreement will be netted against the obligation of the Seller acting as Servicer under the Servicing Agreement to transfer Collections to the Issuer on the Payment Date falling on the Purchase Date on which the Issuer purchases the relevant Additional Receivables from the Seller. Generally, the aggregate Outstanding Principal Amount of the Additional Receivables purchased by the Issuer on any Purchase Date may together with the Aggregate Outstanding Principal Amount of all Receivables purchased prior to such Purchase Date not exceed the amount of EUR 700,000,000. However, to the extent required to avoid assigning partial receivables to the Issuer, the Seller may assign to the Issuer Additional Receivables which result in the Aggregate Outstanding Principal Amount of all Purchased Receivables to exceed the amount of EUR 700,000,000. The Issuer will owe no purchase price to the Seller for any excess portion of an Additional Receivable which is assigned to the Issuer by the Seller.

In the event that, on any Purchase Date, the Replenishment Available Amount exceeds the aggregate purchase price payable by the Issuer to the Seller for the Additional Receivables purchased on such Purchase Date, such excess will be credited to the Purchase Shortfall Account. The amounts (if any) standing to the credit of the Purchase Shortfall Account on any Cut-Off Date will be included in the Available Distribution Amount and will be applied, on the Payment Date immediately following such Cut-Off Date, in accordance with the Pre-Enforcement Priority of Payments.

To be eligible for sale to the Issuer under the Receivables Purchase Agreement, each Receivable and any part thereof will have to meet the eligibility criteria set out in "DESCRIPTION OF THE PORTFOLIO — Eligibility Criteria" herein.

The offer by the Seller for the purchase of Receivables under the Receivables Purchase Agreement must contain certain relevant information for the purpose of identification of the Receivables. In each offer, the Seller must represent that certain representations and warranties with respect to the relevant Receivable were true and correct on the relevant Purchase Date. Upon acceptance, the Issuer will acquire or will be purported to acquire in respect of the relevant Loan Contracts unrestricted title to any and all outstanding Purchased Receivables arising under such Loan Contracts as from the Cut-Off Date immediately preceding the date of such offer, other than any Loan Instalments which have become due prior to or on such Cut-Off Date, together with all of the Seller's rights, title and interest in the Related Collateral in accordance with the Receivables Purchase Agreement. As a result, the Issuer will obtain the full economic ownership in the Purchased Receivables as from the relevant Cut-Off Date, including principal and interest, and is free to transfer or otherwise dispose over (*verfügen*) the Purchased Receivables, subject only to the contractual restrictions provided in the relevant Loan Contracts and the contractual agreements underlying the Related Collateral.

If for any reason title to any Purchased Receivable or Related Collateral is not or will not be transferred to the Issuer, the Seller, upon receipt of the relevant purchase price and without undue delay, is obliged to take all action necessary to perfect the transfer of title. All losses, costs and expenses which the Issuer incurred or will incur by taking additional measures due to the Purchased Receivables or the Related Collateral not being sold or transferred or only being sold and transferred will be borne by the Seller.

The sale and assignment of the Receivables pursuant to the Receivables Purchase Agreement constitutes a sale without recourse (*regressloser Verkauf wegen Bonitätsrisiken*). This means that the Seller will not bear the risk of the inability of any Debtors to pay the relevant Purchased Receivables.

Pursuant to the Receivables Purchase Agreement, the delivery (*Übergabe*) necessary to effect the transfer of title in respect of the Financed Vehicles (including any subsequently inserted parts in the Financed Vehicles) and other moveable Related Collateral securing a Purchased Receivable (including any car certificate (*Fahrzeugbrief*), registration certificate part II (*Zulassungsbescheinigung Teil II*) or equivalent document) is replaced by the Seller's assignment to the Issuer of all claims, present or future, to request transfer of possession (*Herausgabeanspruch*) thereof from the relevant third parties holding such possession. In addition, where the Seller holds direct possession of any of the Financed Vehicles and other moveable Related Collateral, the Issuer will be granted constructive possession (*mittelbarer Besitz*) by the Seller in respect thereof.

Purchase Price

For marketing reasons, certain car dealers, importers or manufacturers of Financed Vehicles have agreed to subsidise the financing of the Financed Vehicles at a set rate by paying an up-front subsidy to the Seller. This enabled the Seller to offer the Loan Contracts for the purpose of financing the Financed Vehicles at a reduced rate of interest to the Debtors. The subsidy is used to increase the reduced rate of interest to the Effective Interest Rate, i.e., an agreed standard market rate notified by the Seller to the Issuer in accordance with the Receivables Purchase Agreement.

Deemed Collections

If certain events (see the definition of Deemed Collections in "CERTAIN DEFINITIONS — Deemed Collections") occur with respect to a Purchased Receivable, the Seller will be deemed to have received a Deemed Collection in the full amount of the Outstanding Principal Amount of such Purchased Receivable (or the affected portion thereof). To this end, the Seller has undertaken to pay to the Issuer such Deemed Collection. Upon full receipt of such Deemed Collection in the full amount of the Outstanding Principal Amount of such Purchased Receivable (or the affected portion thereof), such Purchased Receivable and the relevant Related Collateral (or the affected portion thereof and unless it is extinguished due to circumstances making it a Disputed Receivable or is otherwise extinguished) will be automatically re- assigned or re-transferred to the Seller by the Issuer on the next succeeding Payment Date on a non- recourse or guarantee basis on the part of the Issuer. The costs of such assignment will be borne solely by the Seller.

Similarly, the risk that the amount owed by a Debtor, either as part of the purchase price or otherwise, is reduced due to set-off, counterclaim, discount or other credit in favour of such Debtor, is transferred to the Seller. To this end, the Seller will be deemed to receive such differential amount which will constitute a Deemed Collection.

If a Purchased Receivable which was treated as a Disputed Receivable is *res judicata* (*rechtskräftig festgestellt*) found to be enforceable without any set-off, counterclaim, encumbrance or objection (*Einrede* and/or *Einwand*), the Seller may request the Issuer to repay any Deemed Collection received in relation to such Purchased Receivable, subject to the Pre-Enforcement Priority of Payments. In such case, the Seller will re-assign such Purchased Receivable and the Related Collateral to the Issuer pursuant to the Receivables Purchase Agreement.

All amounts corresponding to Deemed Collections will be held by the Seller on trust in the name and for the account of the Issuer until payment is made to the Transaction Account.

Use of Related Collateral

The Issuer has agreed to make use of any Related Collateral only in accordance with the provisions underlying such Related Collateral and the related Loan Contracts.

The Seller is required, at its own cost, to keep the Related Collateral free of, or release it from, any interference or security rights of third parties and undertake all steps necessary to protect the interest of the Issuer in the Financed Vehicles.

Taxes and Increased Costs; Transaction Cost Fee

Pursuant to the Receivables Purchase Agreement, the Seller will pay any stamp duty, registration and other similar taxes to which the Receivables Purchase Agreement or any other Transaction Document or any judgement given in connection therewith may be subject.

In addition, the Seller will pay all taxes levied on the Issuer or other relevant parties involved in the financing of the Issuer (in each case excluding taxes on the net income, profits or net worth of such persons under German law, United States federal or state laws, or any other applicable law) due to the Issuer having entered into the Receivables Purchase Agreement or the Issuer and such other relevant parties having entered into the Transaction Documents or other agreements relating to the financing of the acquisition by the Issuer of Receivables in accordance with the Receivables Purchase Agreement. Upon demand of the Issuer, the Seller will indemnify the Issuer against any liabilities, costs, claims and expenses which arise from the non-payment or the delayed payment of any such taxes, except for those penalties and interest charges which are attributable to the gross negligence of the Issuer.

All payments to be made by the Seller to the Issuer pursuant to the Receivables Purchase Agreement will be made free and clear of and without deduction for or on account of any tax. The Seller will reimburse the Issuer for any deductions or retentions which may be made on account of any tax. The Seller will have the opportunity and authorisation to raise defences against the relevant payment at the Seller's own costs.

Where the Issuer has received a credit against a relief or remission for, or repayment of, any tax, then if and to the extent that the Issuer determines that such credit, relief, remission or repayment is in respect of the deduction or withholding giving rise to such additional payment or with reference to the liability, expense or loss to which caused such additional payments, the Issuer will, to the extent that it can do so without prejudice to the retention of the amount of such credit, relief, remission or repayment, pay to the Seller such amount as the Issuer will have concluded to be attributable to such deduction or withholding or, as the case may be, such liability, expense or loss, *provided that* the Issuer will not be obliged to make any such payment until it is, in its sole opinion, satisfied that its tax affairs for its tax year in respect of which such credit, relief, remission or repayment was obtained have been finally settled.

Pursuant to the Receivables Purchase Agreement, the Seller will pay on each Payment Date to the Issuer the Transaction Cost Fee. The Issuer will apply the Transaction Cost Fee to pay interest and principal due under the Funding Loan (see "— Funding Loan Agreement" below).

Insurance and Financed Vehicles

Any insurance claims in respect of any Financed Vehicles or other Related Collateral form part of the Related Collateral which has been assigned to the Issuer under the Transaction Security Agreement. If the Seller or the Servicer receives any proceeds from comprehensive insurances (*Kaskoversicherungen*) or under claims from third parties which have damaged any Financed Vehicles as well as claims against the insurer of such third parties which form part of the Related Collateral, such proceeds will be used to repair such damaged Financed Vehicles. If the relevant damaged Financed Vehicle cannot be repaired, such proceeds will be applied in repayment of the relevant Loan Contract.

Notification of Assignment

The Debtors and other relevant debtors (in particular comprehensive insurers (*Kaskoversicherer*)) will only be notified by the Seller in respect of the assignment of the Purchased Receivables and Related Collateral upon request by the Issuer following the occurrence of a Notification Event or whenever it is necessary to protect the

Issuer's justified interests. Where any Debtor is either a military person, a civil servant, a clergyman or a teacher at a public teaching institution and has assigned its rights and claims to wages and social security benefits (to the extent legally possible) to the Seller as part of the Related Collateral, the Seller will, upon request by the Issuer following the occurrence of a Notification Event or if it becomes necessary to protect the Issuer's justified interests, notify such Debtor's employer of such assignment by way of a notarial deed as required under Section 411 of the German Civil Code. Should the Seller fail to notify the Debtors and the other relevant debtors within five (5) Business Days of such request, the Issuer may, at the Seller's costs, notify the Debtors and other relevant debtors of the assignment of the Purchased Receivables and the Related Collateral itself. Without prejudice to the foregoing, under the Servicing Agreement the Issuer is entitled to notify by itself or through any agent or require the Servicer to notify the Debtors, of the assignment if a Notification Event has occurred or whenever it is necessary to protect the Issuer's justified interests. If the Issuer has to undertake the notification by way of notarial deed, the notarization costs will be borne by the Seller.

In addition, at any time after a Notification Event has occurred or whenever it is necessary to protect the justified interests of the Issuer, the Seller, upon request of the Issuer, will inform any relevant insurance company of the assignment of any insurance claims and procure the issuance of a security certificate (*Sicherungsschein*) in the Issuer's name. The Issuer is authorised to notify the relevant insurance company of the assignment on behalf of the Seller. Prior to notification, the Debtors will continue to make all payments to the account of the Seller as provided in the relevant Loan Contract between each Debtor and the Seller and each Debtor will obtain a valid discharge of its payment obligation.

Upon notification, the Debtors will be notified to make all payments to the Issuer to the Transaction Account in order to obtain valid discharge of their payment obligations.

Each of the following constitute "**Notification Events**" pursuant to the Receivables Purchase Agreement:

1. The Servicer fails to make a payment due under or with respect to the Servicing Agreement at the latest on the second (2nd) Business Day after its due date, or, in the event no due date has been determined, within three (3) Business Days after the demand for payment.
2. The Servicer fails within five (5) Business Days to perform its material obligations (other than those referred to in paragraph 1 above) owed to the Issuer under or with respect to the Servicing Agreement.
3. Either the Seller or the Servicer is (i) overindebted (*überschuldet*), unable to pay its debts when they fall due (*zahlungsunfähig*) or such status is imminent (*drohende Zahlungsunfähigkeit*) or (ii) intends to commence insolvency (including preliminary insolvency proceedings) or reorganisation proceedings or is subject to insolvency (including preliminary insolvency proceedings), dissolution proceedings or any measure taken by the BaFin pursuant to Sections 45, 46 and 46b of the German Banking Act (*Gesetz über das Kreditwesen*), and, other than with respect to (i), the Seller or (as relevant) the Servicer fails to remedy such status within twenty (20) Business Days.
4. Either of the Seller or the Servicer is in breach of any of the covenants in relation to, *inter alia*, financial reporting, conduct of business, compliance with laws, rules, regulations, judgements, furnishing of information and inspection and keeping of records, the Credit and Collection Policy, tax, software and banking licences, prolongation or supplementation of Purchased Receivables, change of business policy, sales and liens as set out in the Receivables Purchase Agreement or any of the covenants set out in the Servicing Agreement.
5. A Servicer Termination Event (as defined in "— Servicing Agreement" below) has occurred.

Instalment of new parts or replacement parts in Financed Vehicles

If, after transfer of title to any Financed Vehicle to the Issuer, any new parts or any new replacement parts are installed into such Financed Vehicle and the Seller acquires title to or a co-ownership interest in such parts, the

Seller will transfer such title or co-ownership interest by way of security to the Issuer and the Issuer will not be obliged to make any further payments in respect of such parts.

Resale and Retransfer of Purchased Receivables

If the Aggregate Outstanding Principal Amount is less than 10 % of the Aggregate Outstanding Note Principal Amount as of the Note Issuance Date, the Seller may demand from the Issuer the resale of all outstanding Purchased Receivables together with any Related Collateral which have not been sold to a third party.

Such resale and retransfer would occur on a Payment Date selected by the Seller as repurchase date, be at the cost of the Seller and cause the early redemption of the Notes. See "TERMS AND CONDITIONS OF THE NOTES — Redemption — Early Redemption". The Seller may not demand any partial resale of Purchased Receivables. Such resale and retransfer would be for a repurchase price in an amount equal to the Aggregate Outstanding Principal Amount as at such Payment Date plus any interest accrued but unpaid on all Purchased Receivables which are not Defaulted Receivables as at such time and without any recourse against, or warranty or guarantee of, the Issuer. The repurchase and early redemption of the transaction will be excluded if the repurchase price determined by the Seller is not sufficient to fully satisfy the obligations of the Issuer under the Class A Notes together with all amounts ranking prior to the Class A Notes according to the Pre-Enforcement Priority of Payments. The Issuer will retransfer the Purchased Receivables (together with any Related Collateral) at the cost of the Seller to the Seller upon receipt (*Zug um Zug*) of the full repurchase price and all other payments owed by the Seller or the Servicer under the Receivables Purchase Agreement, the Servicing Agreement or the Data Trust Agreement.

Set-Off Reserve

Pursuant to the Receivables Purchase Agreement, if a Set-Off Reserve Trigger Event occurs, the Seller will be required, within forty (40) Business Days, to transfer the Set-Off Reserve Amount to an account of the Issuer held with the Account Bank (the "**Set-Off Reserve Account**"). If the balance credited to the Set-Off Reserve Account as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event is less than the Set-Off Reserve Amount as calculated as of such Cut-Off Date, taking into account any amounts to be credited to the Set-Off Reserve Account on the immediately following Payment Date pursuant to the Pre-Enforcement Priority of Payments, the Seller will be required within forty (40) Business Days under the Receivables Purchase Agreement to transfer an amount equal to such shortfall as determined as of such Cut-Off Date to the Set-Off Reserve Account.

"**Set-Off Reserve Amount**" shall mean:

- (A) as of the Cut-Off Date immediately preceding the occurrence of a Set-Off Reserve Trigger Event and as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the sum of the Seller Deposits which are calculated with respect to each Debtor of Purchased Receivables outstanding as of the relevant date who, on the relevant Cut-Off Date, holds Seller Deposits, and are in each case equal to the lower of (i) the amount of Seller Deposits which, as of the relevant Cut-Off Date, are held with the Seller by such Debtor, and (ii) the Principal Amount of the Purchased Receivables owed by such Debtor outstanding as of the relevant Cut-Off Date; or
- (B) if as of any Cut-Off Date following the occurrence of a Set-Off Reserve Trigger Event, the Seller has at least the Set-Off Required Rating, zero.

"**Seller Deposits**" means, with respect to any Debtor, the actual aggregate amount held by such Debtor in the form of money market accounts (*Tagesgeldkonten*), savings certificates (*Sparbriefe*), savings accounts (*Sparkonten*), current accounts (*Girokonten*) and/or credit cards (*Kreditkarten*) with the Seller at the relevant time.

The amounts, if any, standing to the credit of the Set-Off Reserve Account shall be included in the Available Distribution Amount and shall be applied on any Payment Date in accordance with the Pre- Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer under item *fifth* of the Pre- Enforcement Priority of Payments) if and to the extent (i) any amounts that would otherwise have to be transferred to the Issuer as Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections for the Collection Period ending on the relevant Cut -Off Date were not received by the Seller as a result of any of the actions described in item (B)(i) of the definition of Deemed Collections and (ii) the Issuer does not have a right of set-off against the Seller with respect to such amounts on the relevant Payment Date. On any Payment Date following the occurrence of a Set-Off Reserve Trigger Event, the Issuer pay to the Seller the Set-Off Reserve Excess Amount. "**Set-Off Reserve Excess Amount**" means, as of any Payment Date, the excess of the amounts standing to the credit of the Set-Off Reserve Account over the Set-Off Reserve Amount on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with item 8 of the definition of Available Distribution Amount.

Representations and Warranties

The Seller has made the following representations and warranties with respect to the Portfolio under the Receivables Purchase Agreement to the Issuer (in its capacity as Purchaser under the Receivables Purchase Agreement):

- (a) The Seller is a stock corporation (*Aktiengesellschaft*) duly organised and validly existing under the laws of the Federal Republic of Germany, is a fully licensed bank under the German Banking Act and has all corporate power and all governmental approvals which are necessary in order to conduct its business in the Federal Republic of Germany.
- (b) The execution, delivery and performance by it of the Receivables Purchase Agreement and the transactions contemplated thereby are within its corporate powers, have been duly authorised by all necessary corporate action, require no action by or in respect of, or filing recording or enrolling with, any governmental body, agency court official or other authority, and do not contravene, or constitute a default under, any provision of applicable law or regulation or of its articles of association (*Satzung*) or of any agreement, judgment, injunction, order, decree or other instrument binding upon it or result in the creation or imposition of any Adverse Claim on its assets (other than in favour of the Purchaser pursuant to the Receivables Purchase Agreement).
- (c) the Receivables Purchase Agreement constitutes legally valid, binding and enforceable obligations of the Seller enforceable against the Seller in accordance with its terms. The Seller has undertaken all actions, obtained all approvals and fulfilled all other conditions in order to conclude the Receivables Purchase Agreement, to safeguard the rights and to fulfil their respective duties arising therefrom.
- (d)
 - (i) The Seller has not taken any action nor is the Seller aware of any measures having been taken or initiated by third parties to commence insolvency proceedings or any other proceedings directed towards the liquidation or reorganisation of the Seller or which could lead to the appointment of a receiver, trustee in bankruptcy, sequestrator or any other person entrusted with such duties in relation to the Seller's assets.
 - (ii) No judicial or similar proceedings are pending, initiated or threatened against the Seller which could have a material adverse effect on the maintenance of its business operations or its financial position and thus the proper performance of the Receivables Purchase Agreement.
 - (iii) The Seller is neither over-indebted (*überschuldet*), nor unable to pay its debts when they fall due (*zahlungsunfähig*), nor in a stoppage of payment situation, nor in a situation of threatened inability to pay (*drohende Zahlungsunfähigkeit*). The Seller enters into the Receivables

Purchase Agreement for its own commercial benefit without the intention to prejudice its creditors.

- (e) All information (including any information contained in the Offer and any Monthly Report) furnished by the Seller to the Purchaser is, or if hereafter furnished by the Seller to the Purchaser, will be true and accurate in every material respect and will not contain any material error or omission, on the date of its disclosure.
- (f) The principal place of business (*Ort der Geschäftsleitung*) and chief executive office (*Verwaltungssitz*) of the Seller is located in Germany. The Seller shall store the Records related to the Receivables Purchase Agreement at the address described therein or at any other location in the Federal Republic of Germany which the Seller has notified to the Purchaser.
- (g) On the Purchase Date any Receivable offered for purchase is an Eligible Receivable.
- (h) All the Loan Contracts are legally valid, binding, enforceable and assignable and that all Loan Contracts were entered into with respect to a Financed Vehicle registered in the Federal Republic of Germany title to which has been transferred by the relevant Debtor to the Seller as Related Collateral.
- (i) There exists in respect of each Receivable offered for sale and assignment to the Purchaser under the Receivables Purchase Agreement the Related Collateral contemplated in the relevant Loan Contract.
- (j) There are no actions, suits or proceedings current or pending, or to the knowledge of the Seller threatened, against or affecting the Seller or any of the assets of the Seller in any court, or before any arbitrator of any kind, or before or by any governmental, public or administrative body, which may materially adversely affect the financial condition of the Seller or materially adversely affect the ability of the Seller to perform its obligations under the Receivables Purchase Agreement.
- (k) In the event that it is agreed in the relevant Loan Contract that a comprehensive insurance policy (*Kaskoversicherung*) shall be entered into, the respective Debtors have to enter into comprehensive insurance policies (*Kaskoversicherungen*) for the relevant Financed Vehicles which shall continue to exist for the term of the Loan Contract. The Seller shall, upon request of the Purchaser, prove the existence of any such comprehensive insurance policy (*Kaskoversicherung*) and the compliance with any relevant notification or consent requirement applying to the assignment thereof to the Purchaser under the Receivables Assignment Agreement.
- (l) Upon the payment of the Purchase Prices on the Purchase Date under the Receivables Purchase Agreement the Purchaser will acquire the ownership of each Purchased Receivable assigned on the Purchase Date and the Related Collateral contemplated in the relevant Loan Contract free and clear of any Adverse Claim.
- (m) There has not been nor will there be any material amendment to the Credit and Collection Policy unless (i) each Rating Agency has been notified in writing of such amendment and (ii) the Purchaser, the Servicer (if different from the Seller) and the Transaction Security Trustee have consented to such amendment in writing (such consent not to be unreasonably withheld).
- (n) Neither the Purchased Receivables, the Related Collateral nor the claim for payment of Collections by the Servicer and the Seller to the Purchaser is collateralised by a security interest in German-*situs* real property, or rights therein, or in ships, or rights in ships, registered in a German ship registry, or is evidenced by a security, such as a registered or bearer bond.

Undertakings

Under the Receivables Purchase Agreement the Seller has agreed to the following undertakings vis-a-vis the Issuer (in its capacity as Purchaser under the Receivables Purchase Agreement):

- (a) The Seller shall maintain an accounting system which is prepared and managed in accordance with generally accepted German accounting principles.

The Seller shall procure, in particular, the following:

- (i) *Monthly Report*

The Seller, acting in its capacity as Servicer, shall prepare a Monthly Report for each Collection Period in the form and with the contents set out in Schedule 1 Part A to the Servicing Agreement together with a confirmation certifying that no Termination Event or Notification Event has occurred. The Seller shall procure that the Servicer will deliver such Monthly Report to the Purchaser with a copy to the Corporate Administrator, the Calculation Agent, the Cash Administrator and the Principal Paying Agent in accordance with the Servicing Agreement.

- (ii) *Detailed Investor Report*

The Seller, acting in its capacity as Servicer, shall prepare a Detailed Investor Report for each Collection Period in the form and with the contents set out in Schedule 1 Part B to the Servicing Agreement. The Seller will procure that the Servicer will deliver such Detailed Investor Report to the Purchaser with a copy to the Corporate Administrator, the Transaction Security Trustee, the Principal Paying Agent, the Cash Administrator, the Calculation Agent and each Rating Agency in accordance with the Servicing Agreement.

- (iii) *Notice of Termination Event*

Immediately after, and in any event within three (3) Business Days of, the occurrence of any Termination Event, the Seller shall submit to the Purchaser and the Transaction Security Trustee a statement setting forth the details of such Termination Event and the measures which the Seller proposes to take in this regard, including any information requested by the Purchaser or required to appropriately assess the financial standing of the Seller. For the avoidance of doubt, any such proposed measures shall not affect the rights of the Purchaser arising from such Termination Event under the Receivables Purchase Agreement.

- (iv) *Related Collateral*

The Seller shall provide to the Purchaser any information as the Purchaser may from time to time reasonably request in respect of the Related Collateral including, for the avoidance of doubt, information reasonably required by the Purchaser for any realisation of such Related Collateral.

- (v) *Financial Accounts*

The Seller shall as soon as the same become available, but in any event within six (6) months after the end of each of its financial years, deliver to the Purchaser its audited not consolidated financial statements for such financial year. The Seller shall ensure that each set of financial statements delivered by it is prepared in accordance with accounting principles generally accepted in Germany and consistently applied, (ii) is certified by a duly authorised officer of it as giving a true and fair view of its financial condition as at the end of the period to which

those financial statements relate and of the results of its operations during such period and (iii) has been audited by an internationally recognised firm of independent auditors licensed to practise in Germany.

(vi) *Other Information*

The Seller shall provide the Purchaser with any other information (including non- financial information) as reasonably requested by the Purchaser from time to time for its own purposes or for the purposes of any of the persons providing direct or indirect finance to it, and in particular, but without limitation, any information requested by the Transaction Security Trustee in accordance with the Transaction Security Agreement.

- (b) The Seller shall do all things necessary in order to remain a corporation duly organised and validly existing under the laws of the Federal Republic of Germany and maintain all requisite authority to conduct its business in the Federal Republic of Germany.
- (c) The Seller shall comply in all respects which could be regarded as material in the context of the transactions contemplated by the Receivables Purchase Agreement, with all laws, rules, regulations, orders, writs, judgements, injunctions, decrees or awards to which it may be subject.
- (d) The Seller shall have systems in place in relation to the Purchased Receivables and Related Collateral that are capable of providing the information and Records to which the Purchaser (including any of its agents and any person acting on behalf of or in favour of the Purchaser) is entitled in accordance with the Receivables Purchase Agreement, always in a format readable by the Purchaser or in any other form determined by the Receivables Purchase Agreement, and shall ensure that the data made available or to be made available in this way can be used at all times without any licenses or other restrictions on its use by the Purchaser or any third party commissioned by the Purchaser.

To the extent allowed by applicable data protection and banking secrecy law, the Seller shall permit the Purchaser, the external auditors of the Seller (acting on behalf of, and on the instructions of, the Purchaser) and/or any other representatives of the Purchaser who are subject to a professional duty of confidentiality or undertake for the benefit of the Seller to comply with duties of to enter under the direct supervision of the Seller upon its premises in order to:

- (i) inspect and satisfy itself or themselves that the systems are in place, maintained in working order and are capable of providing the information to which it or they are reasonably and properly entitled pursuant to the Receivables Purchase Agreement or the Servicing Agreement and which the Seller or the Servicer has failed to supply within ten (10) days of receiving written notice of such failure or to verify any such information which has been provided and which the Purchaser has reason to believe is inaccurate; and
- (ii) examine and make copies of and extracts from all Records but, for the avoidance of doubt, the Purchaser shall have no right to examine and make copies of and extracts from Records which contain confidential technical information of the Seller,

provided that no originals of Records (other than to that which the Purchaser is entitled so to examine, copy or make abstracts from) shall be removed from the Seller's premises (but for the avoidance of doubt this prohibition of removal shall not apply to copies of such original Records). Such Records shall remain confidential and shall not be used or disclosed or divulged to any person (except to the extent and in the circumstances permitted by the Receivables Purchase Agreement or the Servicing Agreement and in accordance with applicable law) without the prior written consent of the Seller, such consent not to be unreasonably withheld.

- (e) The Seller shall keep and maintain Records required by the Servicer in order to keep and maintain, Records for each Purchased Receivable and Related Collateral for the purposes of identifying, in particular, at any time, the amounts which have been paid by or to any Debtor, which are to be paid by or to any Debtor, the source of payments which are paid to the Seller or Servicer and the Transaction Account, and the balance outstanding with respect to each Debtor. The Seller shall inform the Purchaser regarding any material change in its administrative or accounting procedures related to the preparation and maintenance of the Records. The Seller shall mark in its Records each Purchased Receivable (together with the Related Collateral) as sold and assigned to the Purchaser. In the event that the Servicer has agreed with the respective Debtor to debt restructuring of a Purchased Receivable in accordance with the Credit and Collection Policy, the Seller shall not be obliged to report on, or keep and maintain Records of, the waived principal and interest portions of such Purchased Receivable after the relevant settlement date.
- (f) The Seller shall notify the Purchaser and each of the Rating Agencies on a monthly basis of the amounts of Seller Deposits existing at the relevant time. The Seller may include such information in its Monthly Report.
- (g) In relation to the Purchased Receivables and Related Collateral, and in relation to each of its representations, warranties, covenants and other obligations under the Receivables Purchase Agreement the Seller shall apply the due care which the Seller exercises in its own affairs but at least the care of a prudent business man (*Sorgfalt eines ordentlichen Kaufmannes*).

The Seller shall promptly provide the Purchaser with any information which prejudices the existence of any Loan Contract. The Seller shall immediately notify the Purchaser if third parties levy execution upon the assigned claims of the Purchaser, the Purchased Receivables or the Related Collateral or if the Purchased Receivables or the Related Collateral are materially prejudiced or jeopardised by any other events.

- (h) The Seller shall, at its own expense, in a timely manner fully perform and comply with all provisions, covenants and other promises required to be observed by it under the Loan Contracts and Related Collateral documents related to the Purchased Receivables as if interests in such Purchased Receivables had not been assigned and sold under the Receivables Purchase Agreement and the Seller shall as soon as is reasonable notify the Purchaser and the Servicer if third parties make claims or exercise (or purport to exercise) rights regarding the Purchased Receivables or the Related Collateral.
- (i) The Seller shall comply with its Credit and Collection Policy with respect to each Debtor, each Purchased Receivable and Related Collateral as if interests in such Purchased Receivables would not be sold and assigned and had not been assigned and sold under the Receivables Purchase Agreement.

The Seller shall comply, in its capacity as Servicer, with respect to each Purchased Receivable, the Related Collateral and the related Loan Contracts, with the Credit and Collection Policy in accordance with the Servicing Agreement.

The Seller shall not materially amend the Credit and Collection Policy unless (i) each Rating Agency has been notified in writing of such amendment and (ii) the Purchaser, the Servicer (if different) and the Transaction Security Trustee have consented to such amendment (such consent not to be unreasonably withheld). The Seller shall ensure that the procedure applied by it in relation to the recovery of Collections and the servicing of the Purchased Receivables and the Related Collateral are the same as those applied by the Seller in relation to receivables and collateral other than the Purchased Receivables and the Related Collateral.

- (j) All amounts paid to the Purchaser shall be made free of all withholding taxes or other taxes including but not limited to value added tax.

- (k) The Seller acting in its capacity as Servicer confirms that it has obtained and maintains any and all required licenses prior to execution of the Receivables Purchase Agreement.
- (l) The Seller confirms that it has obtained and maintains at all times, a valid banking license, duly granted by the German Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).
- (m)
 - (i) The Seller shall always comply with its obligations under the German Banking Act (Kreditwesengesetz) with respect to required regulatory capital, in particular Sections 10 to 22 of the German Banking Act and the regulations, interpretations or orders issued with respect thereto, in particular the principles on capital and liquidity (Grundsätze über Eigenmittel und Liquidität).
 - (ii) In the event that any measures have been taken with respect to the Seller under or pursuant to Sections 44 to 47 or Section 48a of the German Banking Act (other than measures pursuant to Section 44 (1) 2, 44 (2) 2 of the German Banking Act in the ordinary course of business) or the Act on the Reorganisation of Credit Institutions (*Gesetz zur Reorganisation von Kreditinstituten*), the Seller shall immediately inform the Purchaser, the Transaction Security Trustee and the Rating Agencies thereof and comply with such financial and other requirements which the Purchaser may reasonably request with respect thereto.
- (n) Except as permitted under the Receivables Purchase Agreement, in the Servicing Agreement or in the Credit and Collection Policy, the Seller may not waive and shall not allow the Servicer to waive any Purchased Receivables or Related Collateral or otherwise modify the provisions thereof or supplement, modify or rescind any provision or conditions of any Loan Contract or any contract related thereto, particularly agreements regarding Related Collateral, or terminate any such agreement, Loan Contract or end such in any other way without the prior approval of the Purchaser.
- (o) The Seller and the Servicer may not undertake any material modifications in the nature of its business, otherwise than in accordance with the Receivables Purchase Agreement.
- (p) Except as otherwise provided in the Receivables Purchase Agreement, the Seller shall not sell, assign or otherwise dispose of, or create or suffer to exist any Adverse Claim upon or with respect to any Purchased Receivables, any Related Collateral, any goods or services the subject of any Purchased Receivable or related Loan Contract or Related Collateral, or assign any right to receive income in respect thereof or attempt, purport or agree to do any of the foregoing. Further, the Seller shall not create or allow to exist any counterclaims, rights of set-off or other defences of the Debtors with respect to the obligation of the Debtors to make payment of the Loan Instalments other than such counterclaims, rights of set-off or other defences of the Debtors existing or arising under statutory law and relating to deposits held by a Debtor on a current account with the Seller.

Servicing Agreement

Pursuant to the Servicing Agreement between the Servicer, the Transaction Security Trustee and the Issuer (in its capacity as Purchaser under the Receivables Purchase Agreement), the Servicer has the right and duty to administer the Purchased Receivables and the Related Collateral, collect and, if necessary, enforce or otherwise realise the Purchased Receivables and foreclose on the Related Collateral and pay all proceeds to the Purchaser.

Servicer's Duties

The Servicer acts as agent (*Beauftragter*) of the Issuer (in its capacity as Purchaser under the Receivables Purchase Agreement) under the Servicing Agreement. The duties of the Servicer (the "**Services**") are set out in the Servicing Agreement and include the following:

- (a) the assumption of collection and administrative tasks and the specific duties set out in the Servicing Agreement. In the performance of its obligations under the Servicing Agreement, the Servicer shall exercise the due care and diligence of a prudent businessman (*Sorgfalt eines ordentlichen Kaufmannes*) as if it was administering receivables on its own behalf.
- (b) The Servicer shall:
 - (i) endeavour at its own expense to recover amounts due from the Debtors in accordance with the Credit and Collection Policy, in particular (but without prejudice to the generality of the foregoing) exercise all enforcement measures concerning amounts due from the Debtors. The Purchaser shall assist the Servicer in exercising all rights and legal remedies from and in relation to the Purchased Receivables and the Related Collateral, as is reasonably necessary. The Servicer shall reimburse the Purchaser for any costs and expenses incurred in this regard;
 - (ii) keep and maintain Records, account books and documents in relation to the Purchased Receivables and the Related Collateral in electronic or paper form in a manner such that it is easily distinguishable from records relating to other receivables or collateral to which the Servicer itself is originator, servicer or depository, or otherwise, and shall identify such Records, account books and documents with contract numbers in order to distinguish them from all other records, account books and documents relating to such other receivables or collateral managed by the Servicer;
 - (iii) keep records for taxation purposes, including for the purposes of value added tax;
 - (iv) hold all Records relating to the Purchased Receivables and the Related Collateral in its possession in trust (*treuhänderisch*) for, and to the order of, the Purchaser;
 - (v) assist the Purchaser in discharging any Related Collateral in respect of the relevant Purchased Receivable which has been paid;
 - (vi) assist the Purchaser's auditors and provide information to them upon request; and
 - (vii) prepare and deliver the Monthly Report in accordance with the Servicing Agreement, which shall, *inter alia*, contain updated information with respect to the Portfolio.
- (c) The Servicer shall terminate any Loan Contract underlying a Purchased Receivable in accordance with the Credit and Collection Policy. The Servicer agrees that it shall not agree with any Debtor on any provisions which would restrict such termination rights as compared to the situation currently existing at law and under the standard form contracts used by the Seller for Loan Contracts.

For the avoidance of doubt and without affecting any other obligation of the Seller or the Servicer to pay damages to the Purchaser or to indemnify the Purchaser against any amounts, and irrespective of whether such other obligations arise under the Servicing Agreement, the Receivables Purchase Agreement or at law, the Servicer shall pay damages to the Purchaser if any Loan Contract is not duly and timely terminated in accordance with the preceding paragraph and the Receivables Purchase Agreement, and, additionally (but without double-counting) shall put the Purchaser in the position in which the Purchaser would have been in if the Servicer had complied with such obligation to terminate such Loan Contract.

- (d) In the event of an enforcement of any Related Collateral, the Servicer shall realise such Related Collateral or other existing collateral as soon as possible by taking such measures as it deems necessary in its professional discretion, but always in accordance with the Credit and Collection Policy (as such Credit and Collection Policy may be amended with the written consent of the Purchaser, the Seller (if different from the Servicer) and the Transaction Security Trustee in accordance with the Servicing Agreement). The Servicer shall pay to the Purchaser the portion of the realisation proceeds which have been applied or are to be applied to Purchased Receivables in accordance with Section 366 (2) of the German Civil Code (*Bürgerliches Gesetzbuch*) or to which the Purchaser is otherwise entitled pursuant to the Receivables Purchase Agreement.
- (e) The Servicer shall take all necessary steps to secure payment of all sums due from or in connection with a Purchased Receivable or Related Collateral. The Servicer shall enforce all covenants and obligations of the Debtors owed pursuant to the Loan Contracts underlying the Purchased Receivables in the same manner as it generally does in relation to its own receivables and, if applicable, in compliance with the Credit and Collection Policy.

The Servicer shall comply with the Credit and Collection Policy with respect to each Purchased Receivable, the Related Collateral and the related Loan Contracts, unless the Purchaser has previously approved such change to or deviation from the Credit and Collection Policy in general or with respect to the collection of a specific Purchased Receivable or Related Collateral.

- (f) The Servicer shall, on each Payment Date, pay into the Transaction Account all Collections in respect of the Purchased Receivables and the Related Collateral received by the Servicer during the Collection Period immediately preceding such Payment Date. Where a Debtor owes at least another receivable in addition to a Purchased Receivable to the Seller and such Debtor has failed to indicate to which receivable its payment should be allocated, the Servicer shall allocate such payment in accordance with Section 366 (2) of the German Civil Code (*Bürgerliches Gesetzbuch*).
- (g) The Servicer covenants and declares that, pending transfer to the Purchaser or the Transaction Account, all Collections and other amounts in respect of Purchased Receivables or the Related Collateral which the Servicer otherwise receives and to which the Purchaser is entitled or which are to be paid to the Purchaser or into the Transaction Account, shall be held by it on trust (*treuhänderisch*) for the Purchaser and that it will give directions to the relevant banks in relation to such sums accordingly, subject to the terms of the Servicing Agreement and comply with its duties and obligations thereunder. Immediately after the receipt of such funds, the Servicer shall pay or keep them in accordance with the Servicing Agreement or as otherwise directed by the Purchaser or, as relevant, the Transaction Security Trustee.
- (h) The Servicer shall keep and maintain all necessary information and Records for each individual Purchased Receivable and Related Collateral for the purposes of, in particular, identifying at any time amounts which have been paid by or to any individual Debtor, amounts to be paid by or to any individual Debtor, and the outstanding balance with respect to each Debtor. The Servicer shall give notice to the Purchaser, the Transaction Security Trustee and the Rating Agencies regarding any material change in its administrative or operating procedures relating to the keeping and maintaining of the Records. Any such material change shall only take effect with the Purchaser's prior written consent. In the event that the Servicer has agreed with the respective Debtor to debt restructuring of a Purchased Receivable in accordance with the Credit and Collection Policy, the Servicer shall not be obliged to report on, or keep and maintain Records of, the waived principal and interest portions of such Purchased Receivable after the relevant settlement date.
- (i) All payments due under the Servicing Agreement shall be made free of all bank charges and costs for the recipient thereof. Without prejudice to the other provisions of the Servicing Agreement, all payments by any party thereto (other than the Purchaser and the Transaction Security Trustee) are to be rendered without any deduction or retention due to any set-off or counterclaim; however, if the parties

to the Servicing Agreement are under the obligation to make payments under the Servicing Agreement or the Receivables Purchase Agreement in the same currency on the same day, the party owing the higher amount shall pay to the other party the difference between the amounts owed and the payment of such difference will discharge the obligation of the parties hereto to make such payments, *provided that* such payment netting shall be excluded if and to the extent any of such obligations to make payments is disputed in whole or in part by the relevant party.

- (j) All payments to be made by the Servicer to the Purchaser shall be made free and clear of and without deduction for or on account of any tax. In the event the Servicer is obliged to render a payment with any deduction or withholding of tax, the Servicer shall reimburse the Purchaser in an amount corresponding to such deduction or retention so that the net amount paid to the Purchaser corresponds to the amount to which the Purchaser would have been entitled had the deduction or retention not been made.

Any demand which the Purchaser makes pursuant to this paragraph (j) must specify the details of the claim for reimbursement and be duly signed by an authorised officer of the Purchaser.

The Purchaser shall immediately inform the Servicer if the Purchaser becomes aware of any circumstances which could reasonably be expected to lead to a claim on the part of the Purchaser under this paragraph (j).

The Purchaser shall give the Servicer the opportunity and authorisation to raise defences (in its own name or in the name of the Purchaser, but in any event at the Servicer's own costs (and insofar the Servicer undertakes to reimburse the Purchaser and indemnify the Purchaser against any costs, expenses and damages which might be incurred by the Purchaser because of or within the course of the Servicer taking such action)) against the relevant payment. In the event that the Servicer intends to raise such defences it shall inform the Purchaser of such intention and the nature of the defences to be raised by it. Unless the Purchaser notifies the Servicer within ten (10) Business Days of receipt of the foregoing notification of the Servicer that it intends to raise defences on its own, the Servicer may proceed with such defences and the Purchaser shall provide the Servicer with any information which the Servicer reasonably requests in the context of such defence. The obligation of the Servicer to immediately indemnify or reimburse the Purchaser or otherwise make payments to the Purchaser in accordance with this paragraph (j) and the Servicing Agreement shall not be affected by the foregoing, in particular the foregoing shall not be interpreted as to give the Servicer any additional time for making payments (*keine Stundung*).

- (k) The Servicer shall not make any deposit or otherwise credit, or cause or permit to be so deposited or credited, to the Transaction Account cash or cash proceeds other than Collections (including Deemed Collections) and other amounts owed under the Servicing Agreement, the Receivables Purchase Agreement or otherwise. The Servicer shall not make any deposit or otherwise credit, or cause or permit to be so deposited or credited, to the Commingling Reserve Account any amounts other than the Commingling Reserve Amount from the Seller following the occurrence of a Commingling Reserve Trigger Event owed to the Purchaser under the Servicing Agreement, the Receivables Purchase Agreement or otherwise. The Servicer shall not make any deposit or otherwise credit, or cause or permit to be so deposited or credited, to the Set-Off Reserve Account any amounts other than the Set-Off Reserve Amount in its capacity as Seller following the occurrence of a Set-Off Reserve Trigger Event owed to the Purchaser under the Receivables Purchase Agreement or otherwise. The Servicer shall not make any deposit or otherwise credit, or cause or permit to be so deposited or credited, to the Purchase Shortfall Account any amounts other than the Purchase Shortfall Amount in its capacity as Seller following the occurrence of Purchase Shortfall Event under the Receivables Purchase Agreement or otherwise.
- (l) Subject to fees (including VAT, if any), costs, charges and expenses, indemnity claims and other amounts payable by the Servicer to any agent appointed with the consent of the Purchaser and the

Transaction Security Trustee, the Servicer shall not be entitled to any fee or reimbursement of expenses as consideration for the performance of the Services under the Servicing Agreement. The Purchaser and the Servicer agree that, if the servicing and collection of the Receivables and the Related Collateral of the Seller is outsourced to a Subsidiary and such Subsidiary is appointed as new Servicer by the Purchaser, that, without prejudice to the foregoing, the Servicer in its capacity as Seller shall procure that such new Servicer will not be entitled to any fee or reimbursement of expenses as consideration for the performance of the Services under the Servicing Agreement.

- (m) If, at any time as long as the Seller is the Servicer, a Commingling Reserve Trigger Event occurs, the Seller will be required, within forty (40) Business Days, to transfer the Commingling Reserve Amount to an account of the Purchaser held with the Account Bank (the "**Commingling Reserve Account**"). The Servicer shall calculate the Commingling Reserve Amount as of each Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event. If the balance credited to the Commingling Reserve Account as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event is less than the Commingling Reserve Amount as calculated as of such Cut-Off Date, taking into account any amounts to be credited to the Commingling Reserve Account on the immediately following Payment Date pursuant to the Pre- Enforcement Priority of Payments, and provided that the Seller is the Servicer, the Servicer shall, within forty (40) Business Days, transfer an amount equal to such shortfall as determined as of such Cut-Off Date to the Commingling Reserve Account. On any Payment Date following the occurrence of a Commingling Reserve Trigger Event, the Purchaser shall pay to the Seller in its capacity as Servicer the Commingling Reserve Excess Amount in accordance with the last item of the Pre-Enforcement Priority of Payments.

Further Undertakings

Under the Servicing Agreement, the following further obligations of the Servicer apply:

- (a) The Servicer shall keep safe and shall use all reasonable endeavours to maintain Records (including back-ups of any computer tapes, discs and data) and shall maintain in computer readable form or otherwise (but only insofar as executed copies of the Loan Contracts as such are concerned) Records in relation to each Purchased Receivable and Related Collateral.
- (b) The Servicer shall prepare a Monthly Report for each Collection Period in the form and with the contents set out in Schedule 1 Part A to the Servicing Agreement together with a certification that no Notification Event or Servicer Termination Event has occurred. In particular, but without limitation, the Servicer shall, as part of the Monthly Report, calculate as of each Cut-Off Date and the immediately following Payment Date the Available Distribution Amount. The Servicer shall deliver such Monthly Report to the Purchaser with a copy to the Corporate Administrator, the Calculation Agent, the Cash Administrator and the Principal Paying Agent not later than on the second (2nd) Business Day after the Cut-Off Date on which the relevant Collection Period ends.
- (c) The Servicer shall prepare on a monthly basis starting on the Note Issuance Date a Detailed Investor Report for each Collection Period in the form and with the contents set out in Schedule 1, Part B to the Servicing Agreement. The Servicer shall deliver such Detailed Investor Report to the Purchaser, with a copy to the Corporate Administrator, the Transaction Security Trustee, the Principal Paying Agent, the Cash Administrator, the Calculation Agent and each Rating Agency, not later than 12:00 noon (London time) on the third (3rd) calendar day prior to the Payment Date following the Cut-Off Date on which such Collection Period ends.
- (d) All reports or certificates which are delivered by the Servicer pursuant to the Servicing Agreement shall be signed by an authorised signatory of the Servicer.
- (e) The Servicer shall have systems in place in relation to the relevant Purchased Receivables and Related Collateral that are capable of providing the information and Records to which the Purchaser (including

any of its agents and persons acting on behalf or in favour of the Purchaser) is entitled to pursuant to the Servicing Agreement or the Receivables Purchase Agreement, always in a format readable by the Purchaser or in any other form determined by the Servicing Agreement, and shall ensure that the data made available or to be made available in this way can be used at all times without any licenses or other restrictions on its use by the Purchaser or any third party commissioned by the Purchaser.

The Servicer shall maintain such systems in working order and shall permit the Purchaser (to the extent permitted under applicable data protection laws and banking secrecy duties to which the Seller is subject in relation to the relevant Purchased Receivables), the external auditors of the Servicer (acting on behalf of, and on the instructions of the Purchaser) and/or any other representatives of the Purchaser (who are subject to a professional duty of confidentiality or undertake for the benefit of the Servicer to comply with duties of confidentiality similar to those agreed upon in the Servicing Agreement) to enter under the direct supervision of the Servicer upon its premises in order to:

- (i) inspect and satisfy itself or themselves that the systems are in place, maintained in working order and are capable of providing the information to which it or they are entitled pursuant to the Servicing Agreement or the Receivables Purchase Agreement and which the Servicer has failed to supply within five (5) calendar days of receiving written notice of such failure, or to verify any such information which has been provided and which the Purchaser has reason to believe is inaccurate; and
- (ii) examine and make copies of and extracts from all Records but, for the avoidance of doubt, the Purchaser shall have no right to examine and make copies of and extracts from Records which contain confidential technical information of the Servicer,

provided that no originals of Records (other than to that which the Purchaser is entitled so to examine, copy or make extracts from) shall be removed from the Servicer's premises (but for the avoidance of doubt this prohibition of removal shall not apply to copies of such original Records). Such Records shall remain confidential and shall not be used or disclosed or divulged to any person (except to the extent and in the circumstances permitted by the Servicing Agreement or the Receivables Purchase Agreement and in accordance with applicable law) without the prior written consent of the Servicer (such consent not to be unreasonably withheld).

The Servicer shall take all necessary measures in order to provide the information which the Purchaser may request in accordance with the Servicing Agreement in a format readable by the Purchaser or in any other form determined by the Servicing Agreement and shall ensure that the data made available in this way can be used at all times without any licenses or other restrictions on its use by the Purchaser or any third party commissioned by the Purchaser.

- (f) The Servicer shall give such time and attention and will exercise such skill, care and diligence in the performance of the Services as it does in servicing loan receivables other than the Purchased Receivables. The Servicer shall apply the due care which the Servicer exercises in its own affairs but at least the care of a prudent business man (*Sorgfalt eines ordentlichen Kaufmannes*) not only in relation to the Purchased Receivables and Related Collateral but also in relation to each of its representations, warranties, covenants and other obligations under the Servicing Agreement (in particular, but without limitation, its obligation to comply with the Credit and Collection Policy).
- (g) The Servicer shall ensure that the procedures applied by it in relation to the recovery of Collections and the servicing of Purchased Receivables and the Related Collateral are the same as those applied by the Servicer in relation to receivables and collateral other than the Purchased Receivables and the Related Collateral.
- (h) The Servicer shall consider the interests of the Purchaser in relation to the Debtors and in exercising any discretion which arises from the performance of the Services.

- (i) The Servicer shall obtain and keep all required licenses, approvals, registrations, authorisations and consents which are necessary or desirable in connection with the performance of the Services and procure that any of its agents obtains and maintains any such license. The Servicer confirms that it has obtained and maintains at all times, a valid banking license, duly granted by the German Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).
- (j) The Servicer shall at its own expense and in a timely manner fully perform and comply with all provisions, covenants and other obligations required to be observed by the Seller under the relevant Loan Contracts and the documents relating to the Related Collateral.
- (k) The Servicer shall comply with all legal requirements in relation to the Purchased Receivables and the Related Collateral.
- (l) The Servicer shall not, otherwise than as permitted in the Servicing Agreement, dispose of objects or rights which exist in relation to the Purchased Receivables and the Related Collateral without the prior written consent of the Purchaser.
- (m) The Servicer shall not, except as otherwise permitted under the Servicing Agreement, the Credit and Collection Policy (insofar as it relates to one time extension (*Stundung*) of up to three months in relation to Purchased Receivables which are not Delinquent Receivables or Defaulted Receivables (but in no event until a date later than six (6) months prior to the Legal Maturity Date of the Notes)) or under the Receivables Purchase Agreement, extend, amend, modify or waive any Purchased Receivables or Related Collateral or materially amend or otherwise modify the terms of any Loan Contract or Related Collateral or terminate such Loan Contract or Related Collateral without the prior written consent of the Purchaser.
- (n) The Servicer shall maintain an accounting system which is prepared and managed in accordance with generally accepted German accounting principles.
- (o) The Servicer shall in particular procure the following:
 - (i) The Servicer shall provide to the Purchaser any information as the Purchaser may from time to time request in respect of the Related Collateral including, for the avoidance of doubt, information reasonably required by the Purchaser for any realisation of such Related Collateral and any information relating to any damage to, or loss of, Financed Vehicles or other problems or potential problems with regard to the Related Collateral.
 - (ii) The Servicer shall as soon as the same become available, but in any event within six months after the end of each of its financial years, deliver to the Purchaser its audited consolidated and not consolidated financial statements for such financial year. The Servicer shall ensure that each set of financial statements delivered by it (i) is prepared in accordance with accounting principles generally accepted in Germany and consistently applied, (ii) is certified by a duly authorised officer of it as giving a true and fair view of its financial condition as at the end of the period to which those financial statements relate and of the results of its operations during such period and
 - (iii) has been audited by an internationally recognised firm of independent auditors licensed to practise in Germany.
 - (iv) The Servicer shall provide the Purchaser with any other information (including non- financial information) as reasonably requested by the Purchaser from time to time for its own purposes or for the purposes of any of the persons providing direct or indirect finance to it.

- (v) The Servicer shall, upon request of the Purchaser, use its best efforts to make loan level details available in such manner to the Purchaser as may be required in the future to comply with the Eurosystem eligibility criteria set out in the Guideline of the European Central Bank on monetary policy instruments and procedure of the Eurosystem (ECB/2000/7), as amended from time to time, subject to applicable data protection laws.
- (p) The Servicer shall do all things necessary in order to remain a corporation duly organised and validly existing under the laws of Germany and maintain all requisite authority and licenses to conduct its business in Germany.
- (q) The Servicer shall comply in all respects which could be regarded as material in the context of the transactions contemplated by the Servicing Agreement, with all laws, rules, regulations, orders, writs, judgements, injunctions, decrees or awards to which it may be subject.
- (r) The Servicer shall immediately provide the Purchaser with any information which prejudices the existence of any Purchased Receivables or Related Collateral *provided that* the Servicer is entitled to disclose such information. The Servicer shall immediately notify the Purchaser if third parties levy execution upon the assigned claims of the Purchaser, any Purchased Receivables or the Related Collateral or if any Purchased Receivables or Related Collateral are materially prejudiced or jeopardised by any other events.
- (s) The Servicer shall not materially amend the Credit and Collection Policy unless (i) each Rating Agency has been notified in writing of such amendment, and (ii) the Purchaser, the Seller (if different from the Servicer) and the Transaction Security Trustee have consented to such amendment in writing (such consent not to be unreasonably withheld).
- (t) Without prejudice to the repurchase right in accordance with clause 22.4 of the Receivables Purchase Agreement, the Servicer shall not repurchase any defaulted receivables unless (i) each Rating Agency has been notified in writing of such repurchase, and (ii) the Purchaser, the Seller (if different from the Servicer) and the Transaction Security Trustee have consented to such repurchase in writing (such consent not to be unreasonably withheld).
- (u) To the extent legally possible, the Servicer shall provide free of charge any required software and/or licenses to any substitute servicer appointed with respect to the Purchased Receivables or Related Collateral by the Purchaser in accordance with the Servicing Agreement and/or the Receivables Purchase Agreement.
- (v) The Servicer shall not have any power to enter into any new agreements on behalf of the Purchaser (other than as contemplated in the Servicing Agreement), to act as a branch, agent or representative of the Purchaser, to issue instructions, manage, direct or administer any aspect of the Purchaser's business (except as expressly provided for in the Servicing Agreement). Accordingly, the Servicer shall only be obliged to render the Services specified in the Servicing Agreement and the Purchaser shall not be entitled to direct the Servicer to perform any other activities or to render any other services. The Servicer is instructed by the Purchaser to comply with and collect all Purchased Receivables and the Related Collateral always in accordance with the Credit and Collection Policy (as such Credit and Collection Policy may be amended in accordance with the Servicing Agreement).
- (w) If at any time (i) Santander Consumer Finance, S.A. ceases to hold directly or indirectly 60 per cent. of the Servicer's share capital or voting rights or (ii) the long-term unsecured, unsubordinated and unguaranteed obligations of Santander Consumer Finance, S.A. cease to be assigned a rating of at least "BBB –" (or its replacement) by Fitch or, the long-term unsecured, unsubordinated and unguaranteed obligations of the Servicer cease to be assigned a rating of at least "BBB –" (or its replacement) by Fitch (the "**Back-Up Servicer Trigger Event**"), then the Servicer (or if the Servicer fails to do so, the Transaction Security Trustee, using its best efforts), has been each nominated and mandated to act as

back-up servicer facilitator, and shall within sixty (60) calendar days of the occurrence of such Back-Up Servicer Trigger Event, identify a credit institution licensed to do banking business in the European Economic Area and supervised in accordance with EU directives that (i) has the experience or capability of administering assets similar to the Purchased Receivables and the Related Collateral and (ii) is registered under the German Legal Services Act (*Rechtsdienstleistungsgesetz*) to collect and enforce receivables and related collateral (the "**Eligible Back-up Servicer**") and procure that such Eligible Back-up Servicer agrees to act as a back-up servicer in the transaction in order to ensure servicing continuity. The Servicing Agreement further provides that such Eligible Back-up Servicer shall replace the Servicer under the circumstances described in the Servicing Agreement

Representations and Warranties

Under the Servicing Agreement the Servicer has made the following representations and warranties to the Issuer (in its capacity as Purchaser under the Receivables Purchase Agreement):

- (a) The Servicer is a stock corporation (*Aktiengesellschaft*) duly organised and validly existing under the laws of the Federal Republic of Germany, is a fully licensed bank under the German Banking Act and has all corporate power and all governmental approvals which are necessary in order to conduct its business in the Federal Republic of Germany.
- (b) The execution, delivery and performance by it of the Servicing Agreement and the transactions contemplated thereby are within its corporate powers, have been duly authorised by all necessary corporate action, require no action by or in respect of, or filing recording or enrolling with, any governmental body, agency court official or other authority, and do not contravene, or constitute a default under, any provision of applicable law or regulation or of its articles of association (*Satzung*) or of any agreement, judgment, injunction, order, decree or other instrument binding upon it or result in the creation or imposition of any Adverse Claim on its assets (other than in favour of the Purchaser pursuant to the Servicing Agreement).
- (c) The Servicing Agreement constitutes its legally valid, binding and enforceable obligations of the Servicer enforceable against the Servicer in accordance with its terms. The Servicer has undertaken all actions, obtained all approvals and licenses required for the performance of the Services under the Servicing Agreement and has fulfilled all other conditions in order to conclude the Servicing Agreement, to safeguard the rights and to fulfil its respective duties arising therefrom.
- (d)
 - (i) The Servicer has not taken any action nor is the Servicer aware of any measures having been taken or initiated by third parties to commence insolvency proceedings or any other proceedings directed towards the liquidation or reorganisation of the Servicer or which could lead to the appointment of a receiver, trustee in bankruptcy, sequestrator or any other person entrusted with such duties in relation to the Servicer's assets.
 - (ii) No judicial or similar proceedings are pending, initiated or threatened against the Servicer which could have a material adverse effect on the maintenance of its business operations or its financial position and thus the proper performance of the Servicing Agreement.
 - (iii) The Servicer is neither over-indebted (*überschuldet*), nor unable to pay its debts when they fall due (*zahlungsunfähig*), nor in a stoppage of payment situation, nor in a situation of threatened inability to pay (*drohende Zahlungsunfähigkeit*). The Servicer enters into the Servicing Agreement for its own commercial benefit without the intention to prejudice its creditors.

- (e) All information (including any information contained in the Offer and any Monthly Report) furnished by the Servicer to the Purchaser is, or if hereafter furnished by the Servicer to the Purchaser, will be true and accurate in every material respect and will not contain any material error or omission, on the date of its disclosure.
- (f) The principal place of business (*Ort der Geschäftsleitung*) and chief executive office (*Verwaltungssitz*) of the Servicer is located in Germany. The Servicer shall store the Records at the address described in the Servicing Agreement or at any other location in the Federal Republic of Germany which the Servicer has notified to the Purchaser in accordance with the Servicing Agreement.
- (g) There are no actions, suits or proceedings current or pending, or to the knowledge of the Servicer threatened, against or affecting the Servicer or any of the assets of the Servicer in any court, or before any arbitrator of any kind, or before or by any governmental, public or administrative body, which may materially adversely affect the financial condition of the Servicer or materially adversely affect the ability of the Servicer to perform its obligations under the Servicing Agreement.
- (h) There has not been nor will there be any material amendment to the Credit and Collection Policy unless (i) each Rating Agency has been notified in writing of such amendment and (ii) the Purchaser, the Seller (if different from the Servicer) and the Transaction Security Trustee have consented to such amendment in writing (such consent not to be unreasonably withheld).

Delegation to Geoban

A substantial portion of the Servicer's customer servicing obligations under the Servicing Agreement is outsourced on a continuous basis to Geoban S.A., Niederlassung Deutschland ("**Geoban**"), a wholly-owned subsidiary of Banco Santander, S.A. The delegated services Geoban performs include front- (call centre) and back-office (other customer correspondence) operations for banking products such as car, durable, direct loans, mortgages, current accounts, credit & debit cards, savings products as well as specialized tasks such as payments and customer fraud handling. Irrespective of the sub-delegation of certain services to Geoban, the Servicer remains primarily liable for the performance of the servicing obligations under the Servicing Agreement and it is not expected that any delegation of administration and processing services to Geoban will materially and adversely impact on the provision of the loan administration services under the Servicing Agreement.

Commingling Reserve

Pursuant to the Servicing Agreement, if at any time as long as the Seller is the Servicer, a Commingling Reserve Trigger Event occurs, the Seller will be required, within forty (40) Business Days, to transfer the Commingling Reserve Amount to an account of the Issuer held with the Account Bank (the "**Commingling Reserve Account**"). If, at any time as long as the Seller is the Servicer, the balance credited to the Commingling Reserve Account as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event is less than the Commingling Reserve Amount as calculated as of such Cut-Off Date, taking into account any amounts to be credited to the Commingling Reserve Account on the immediately following Payment Date pursuant to the Pre-Enforcement Priority of Payments, the Servicer will be required, within forty (40) Business Days, under the Servicing Agreement to transfer an amount equal to such shortfall as determined as of such Cut-Off Date to the Commingling Reserve Account. "**Commingling Reserve Amount**" means, (a) as of any Cut-Off Date following the occurrence of a Commingling Reserve Trigger Event, an amount equal to the sum of (i) the amount of the Scheduled Collections for the period from the beginning of the Collection Period immediately following the relevant Cut-Off Date to the last Business Day of the second Collection Period after the relevant Cut-Off Date (both inclusive) and (ii) 2% of the Aggregate Outstanding Note Principal Amount as of the relevant Cut-Off Date or (b) if as of any Cut-Off Date no Commingling Reserve Trigger Event has occurred, zero. "**Scheduled Collections**" means, with respect to any Collection Period, the amount of Collections scheduled to be received by the Servicer with respect to such Collection Period as reported by the Servicer for such Collection Period. "**Commingling Required Rating**" means, with respect to any entity, that the long-term

unsecured, unsubordinated and unguaranteed debt obligations of such entity are assigned a rating of at least BBB (or its replacement) by S&P and such rating has not been withdrawn.

A "**Commingling Reserve Trigger Event**" will have occurred if, at any time, (a) Santander Consumer Finance, S.A. ceases to have the Commingling Required Rating or (b) Santander Consumer Finance, S.A. ceases to own, directly or indirectly, at least 60 % of the share capital of the Seller, unless in each case (a) and (b), the Seller has at least the Commingling Required Rating.

The amounts, if any, standing to the credit of the Commingling Reserve Account shall be included in the Available Distribution Amount and shall be applied on any Payment Date in accordance with the Pre-Enforcement Priority of Payments (but excluding any fees and other amounts due to the Servicer under item *fifth* of the Pre-Enforcement Priority of Payments) if and to the extent the Seller has, on such Payment Date, failed to transfer to the Issuer any Collections (other than Deemed Collections within the meaning of item (B)(i) of the definition of Deemed Collections) received or payable by the Seller during, or with respect to, the Collection Period ending on the Cut-Off Date immediately preceding such Payment Date or if the Servicer is either overindebted (*überschuldet*) or unable to pay its debts (*zahlungsunfähig*) or the inability of the Servicer to pay its debts is imminent (*drohende Zahlungsunfähigkeit*) or if any measures under Section 21 of the German Insolvency Code or under Sections 45, 46 and 46b of the German Banking Act (*Gesetz über das Kreditwesen*) are taken in respect of the Servicer. On any Payment Date following the occurrence of a Commingling Reserve Trigger Event, the Issuer shall pay to the Seller any Commingling Reserve Excess Amount.

"**Commingling Reserve Excess Amount**" means, as of any Payment Date, the excess of the amounts standing to the credit of the Commingling Reserve Account over the Commingling Reserve Amount on the Cut-Off Date immediately preceding such Payment Date, after a drawing (if any) in accordance with item 7 of the definition of the Available Distribution Amount.

Use of Third Parties

The Servicer may, subject to certain requirements, delegate and sub-contract its duties in connection with the servicing and enforcement of the Purchased Receivables and/or foreclosure on the Related Collateral, *provided that* such third party has all licences, registrations and authorisations required for the performance of the servicing delegated to it, in particular any registration required under the German Legal Services Act (*Rechtsdienstleistungsgesetz*). In particular, the Servicer may appoint as agents for this purpose without prior written consent of the Issuer and the Transaction Security Trustee any wholly owned (direct or indirect) subsidiary of Banco Santander, S.A. or the Servicer which has its seat in Germany or which acts through a German branch (*Niederlassung*).

Cash Collection Arrangements

The Seller expects that the Debtors will continue to make all payments to the account of the Seller as provided in the Loan Contracts between each Debtor and the Seller and thereby obtain a valid discharge of their respective payment obligation. The Debtors will only receive notice of the sale and transfer of the relevant Purchased Receivables to the Issuer if a Notification Event has occurred (see "— Receivables Purchase Agreement — Notification of Assignment"), following receipt of which the Debtors shall make all payments to the Issuer to the Transaction Account in order to obtain valid discharge of their payment obligations.

Under the terms of the Servicing Agreement, the Collections received by the Servicer will be transferred on the Payment Date immediately following each Collection Period to the Transaction Account or as otherwise directed by the Issuer or the Transaction Security Trustee, unless the Seller applies part or all of the Collections to the replenishment of the Portfolio in accordance with the Pre-Enforcement Priority of Payments and the terms of the Receivables Purchase Agreement. Until such transfer, the Servicer will hold the Collections and any other amount received on trust (*treuhänderisch*) for the Issuer and will give directions to the relevant banks accordingly. All payments will be made free of all bank charges and costs as well as any tax for the recipient thereof.

Information and Regular Reporting

The Servicer will use all reasonable endeavours to safely maintain records in relation to each Purchased Receivable in computer readable form. The Servicer will notify to the Issuer and the Rating Agencies any material change in its administrative or operating procedures relating to the keeping and maintaining of records. Any such material change requires the prior consent of the Issuer.

The Servicing Agreement requires the Servicer to furnish at the latest on the second (2nd) Business Day after the relevant Cut-Off Date the Monthly Report relating to the Collection Period ending on such Cut- Off Date to the Issuer, with a copy to the Corporate Administrator, the Calculation Agent, the Principal Paying Agent and the Cash Administrator, with respect to each Collection Period as well as certification that no Notification Event or Servicer Termination Event has occurred. Each Monthly Report will set out in detail, on an aggregate basis, the state of repayment and amounts outstanding on the Purchased Receivables, measures being taken to collect any overdue payments as well as details regarding all foreclosure proceedings in respect of any Related Collateral and the status, development and timing of such proceedings. The Servicer will, upon request, provide the Issuer with all additional information concerning the Purchased Receivables and the Related Collateral in which the Issuer has a legitimate interest, subject to the terms of the Servicing Agreement and protection of each Debtor's personal data. In the event that the Servicer has agreed with the respective Debtor to debt restructuring of a Purchased Receivable in accordance with the Credit and Collection Policy, the Servicer will not be obliged to report on, or, keep and maintain Records of, the waived principal and interest portions of such Purchased Receivable after the relevant settlement date.

Further, in accordance with the Servicing Agreement, the Servicer will prepare, on a monthly basis starting on the Note Issuance Date, an investor report (each, a "**Detailed Investor Report**") for each Collection Period which it will provide to the Issuer, the Corporate Administrator, the Transaction Security Trustee, the Cash Administrator, the Principal Paying Agent, the Calculation Agent and each Rating Agency no later than 12:00 noon (London time) on the third (3rd) calendar day prior to the Payment Date following the Cut-Off Date on which such Collection Period ends. Each Detailed Investor Report shall include detailed summary statistics and information regarding the performance of the portfolio of Purchased Receivables during the last Collection Period.

Termination of Loan Contracts and Enforcement

If a Debtor defaults on a Purchased Receivable, the Servicer will proceed in accordance with the Credit and Collection Policy. The Servicer will abide by the enforcement and realisation procedures as set out in the Receivables Purchase Agreement and the Servicing Agreement. If the Related Collateral is to be enforced, the Servicer will take such measures as it deems necessary in its professional discretion to realise the Related Collateral.

The Servicer is obliged to terminate any Loan Contract in accordance with the Credit and Collection Policy. Where the Servicer fails to do so, the Servicer must compensate the Issuer for any damage caused for its failure to carry out such duly and timely termination such that the Issuer is placed in the same position as if the Servicer had complied with its obligation. The Servicer has undertaken not to agree with any Debtor to restrict such termination rights and will pay damages to the Issuer if it does not effect due and timely termination.

The Servicer will pay the portion of the enforcement proceeds to the Issuer which have been or are to be applied to the Purchased Receivables or the Issuer is otherwise entitled to in accordance with the Servicing Agreement.

Termination of the Servicing Agreement

Pursuant to the Servicing Agreement, the Issuer may at any time terminate the appointment of the Servicer and appoint a substitute servicer if a Servicer Termination Event has occurred, and/or notify or require the Servicer to notify the relevant Debtors of the assignment of the Purchased Receivables to the Issuer such that all payments in respect to such Purchased Receivables are to be made to the Issuer or a substitute servicer

appointed by the Issuer if a Notification Event has occurred. Each of the following events constitute a "**Servicer Termination Event**":

- (a) The Servicer fails to make a payment due under the Servicing Agreement at the latest on the second (2nd) Business Day after its due date, or, in the event no due date has been determined, within three (3) Business Days after the demand for payment, where such aggregate amount due is at least EUR 50,000.
- (b) Following a demand for performance the Servicer fails within five (5) Business Days to perform its material (as determined by the Issuer) obligations (other than those referred to in paragraph (a) above) owed to the Issuer under the Servicing Agreement.
- (c) Any of the representations and warranties made by the Servicer with respect to or under the Servicing Agreement or any Monthly Report or information transmitted is materially false or incorrect.
- (d) The Servicer is in default with respect to any Material Payment Obligation owed to any third party for a period of more than five (5) calendar days.
- (e) The Servicer is in breach of any of the covenants set out in the Servicing Agreement.
- (f) Any licence, authorisation or registration of the Servicer required with respect to the Servicing Agreement and the Services to be performed thereunder is revoked, restricted or made subject to any conditions.
- (g) The Servicer is not collecting Purchased Receivables or Related Collateral pursuant to the Servicing Agreement or is no longer entitled or capable to collect the Purchased Receivables and the Related Collateral for practical or legal reasons.
- (h) At any time there is otherwise no person which holds any required licence, authorisation or registration appointed by the Issuer to collect the Purchased Receivables and the Related Collateral in accordance with the Servicing Agreement.
- (i) There are valid reasons to cause the fulfilment of material duties and material obligations under the Servicing Agreement or under the Loan Contracts or Related Collateral on the part of the Servicer or the Seller (acting in its capacity as the Servicer) to appear to be impeded.
- (j) The Servicer (to the extent that it is identical with the Seller) is in breach of any of the covenants set out in the Receivables Purchase Agreement.
- (k) A material adverse change in the business or financial conditions of the Servicer has occurred which materially affects its ability to perform its obligations under the Servicing Agreement.

Pursuant to the Servicing Agreement, the appointment of the Servicer is automatically terminated in the event that the Servicer is either overindebted (*überschuldet*) or unable to pay its debts (*zahlungsunfähig*) or the inability of the Servicer to pay its debts is imminent (*drohende Zahlungsunfähigkeit*) or if any measures under Section 21 of the German Insolvency Code or under Sections 45, 46 and 46b of the German Banking Act (*Gesetz über das Kreditwesen*) are taken in respect of the Servicer.

The Servicer is only entitled to resign as Servicer under the Servicing Agreement for good cause (*aus wichtigem Grund*) and, if the Servicer is the Seller, upon outsourcing of the servicing and collection of the receivables and the related collateral in whole or in part by the Seller to a (direct or indirect) subsidiary of the Seller or of a parent of the Seller where such subsidiary constitutes any related enterprise in accordance with Section 15 of the German Stock Corporation Act (*Aktiengesetz*) in accordance with the Servicing Agreement.

The outgoing Servicer and the Issuer will execute such documents and take such actions as the Issuer may require for the purpose of transferring to the substitute servicer the rights and obligations of the outgoing Servicer, assumption by any substitute servicer of the specific obligations of substitute servicers under the Servicing Agreement and releasing the outgoing Servicer from its future obligations under the Servicing Agreement. Upon termination of the Servicing Agreement with respect to the Servicer and the appointment of a substitute servicer, the Servicer will transfer to any substitute servicer all Records and any and all related material, documentation and information. Any substitute servicer will have all required licences, authorisations and registrations, in particular, any registrations required under the German Legal Services Act (*Rechtsdienstleistungsgesetz*).

Any termination of the appointment of the Servicer or of a substitute servicer as well as the appointment of any new servicer will be notified by the Issuer to the Rating Agencies, the Transaction Security Trustee and the Corporate Administrator and by the Principal Paying Agent, acting on behalf of the Issuer, to the Noteholders in accordance with the Terms and Conditions.

Subordinated Loan Agreement

Pursuant to the Subordinated Loan Agreement, a committed credit facility will be made available to the Issuer by the Subordinated Loan Provider. Pursuant to the terms of the Subordinated Loan Agreement, the Issuer will draw amounts made available thereunder in one single drawdown on the first Purchase Date which will be credited to the Reserve Fund in accordance with the Subordinated Loan Agreement. The Issuer is not entitled to make any drawings thereunder after the Note Issuance Date. As of the Note Issuance Date, the outstanding amount under the Subordinated Loan Agreement is expected to amount to EUR7,000,000.

Principal amounts outstanding under the Subordinated Loan Agreement are only repayable if and to the extent the Required Reserve Amount is reduced in accordance with the Receivables Purchase Agreement.

Pursuant to the Subordinated Loan Agreement, the Issuer is under no obligation to pay any amounts under the Subordinated Loan Agreement unless the Issuer has received funds which may be used to make such payment in accordance with the Pre-Enforcement Priority of Payments or, upon the occurrence of an Issuer Event of Default, the Post-Enforcement Priority of Payments. The Subordinated Loan Provider also agrees in the Subordinated Loan Agreement not to take any corporate action or any legal proceedings regarding some or all of the Issuer's revenues or assets, and not to have any right to take any steps for the purpose of obtaining payment of any amounts payable to it under the Subordinated Loan Agreement by the Issuer.

Funding Loan Agreement

Santander Consumer Finance, S.A. will make available to the Issuer under the Funding Loan Agreement an interest-bearing amortising funding loan (the "**Funding Loan**") which is not credit-linked to the Portfolio and will, subject to certain conditions, be disbursed on the Note Issuance Date to provide the Issuer with the funds necessary to pay certain amounts payable on the Note Issuance Date under the Transaction Documents (including, without limitation, the fees, costs and expenses payable on the Note Issuance Date to the Manager and to other parties in connection with the offer and sale of the Notes) and certain other costs. The Seller will pay the Issuer a fee (the "**Transaction Cost Fee**") on each Payment Date in accordance with the Receivables Purchase Agreement. The Transaction Cost Fee will not form part of the Available Distribution Amount. The Funding Loan will be repaid in eighteen (18) instalments on each Payment Date following the Note Issuance Date. The Funding Loan will be subject to partial repayment, early repayment or optional prepayment in specific circumstances and subject to certain conditions. All payment obligations of the Issuer under the Funding Loan constitute limited obligations to pay out only the amounts received by the Issuer from time to time in respect of the Transaction Cost Fee under the Receivables Purchase Agreement.

Data Trust Agreement

Pursuant to the Data Trust Agreement the Data Trustee will keep data lists containing, *inter alia*, the names and addresses of the Debtors under the Purchased Receivables and of any third party which has provided security which forms part of the Related Collateral and the relevant account numbers relating to such Debtors and third parties providing security with respect to each Purchased Receivable, all of which forms part of the Collateral from time to time pursuant to the Transaction Security Agreement. The Seller is obliged to provide the Data Trustee at the latest on each Purchase Date with such data lists to ensure that, failing notification by the Seller of the assignment of the Purchased Receivables and the Related Collateral, the Transaction Security Trustee or the Issuer, as relevant, are at all times in a position to notify all relevant Debtors in accordance with the provisions of the Receivables Purchase Agreement. The Data Trustee will release such lists to the Issuer or the Transaction Security Trustee if, *inter alia*, this is necessary for the Issuer to enforce the Issuer's claims in respect of the Related Collateral, the Seller directs it in writing to do so or the Data Trustee has been notified by either the Issuer or the Seller of the occurrence of certain events specified in the Receivables Purchase Agreement. In the event that insolvency proceedings are commenced with respect to the Issuer, the Data Trustee will deliver to the Transaction Security Trustee such data lists. If a substitute servicer has been appointed, the relevant lists will be released to it.

Agency Agreement

Pursuant to the Agency Agreement, the Principal Paying Agent and the Calculation Agent are appointed by the Issuer and each will act as agent of the Issuer to make certain calculations, determinations and to effect payments in respect of the Notes. In addition, the Cash Administrator is appointed by the Issuer under the Agency Agreement to act as its agent and will provide certain cash management services such as verifying the calculations undertaken by the Servicer relating to the payments to be effected on each Payment Date in accordance with the Transaction Documents and providing the Account Bank with payment instructions on behalf of the Issuer required to effect payments in respect of the Notes and any other payments in accordance with the Transaction Documents on each Payment Date. Further, the Cash Administrator will make each Detailed Investor Report provided to it by the Servicer publicly available by posting it on Bloomberg without undue delay. The Cash Administrator will also prepare and provide, on a monthly basis, a cash manager report which relates to the envisaged payments to be effected on the immediately succeeding Payment Date in accordance with the Transaction Documents to the Issuer, the Corporate Administrator, the Transaction Security Trustee, the Principal Paying Agent, the Calculation Agent and the Rating Agencies no later than on the third (3rd) Business Day prior to the Payment Date to which such cash manager report relates. The functions, rights and duties of the Cash Administrator, the Principal Paying Agent and the Calculation Agent are set out in the Terms and Conditions as well as the Agency Agreement. See "TERMS AND CONDITIONS OF THE NOTES".

The Agency Agreement provides that the Issuer may terminate the appointment of any Agent with regard to some or all of its functions with the prior written consent of the Transaction Security Trustee upon giving such Agent not less than thirty (30) calendar days' prior notice. Any Agent may at any time resign from its office by giving the Issuer and the Transaction Security Trustee not less than thirty (30) calendar days' prior notice, *provided that* at all times there shall be a Principal Paying Agent, a Calculation Agent and a Cash Administrator appointed. Any termination of the appointment of any Agent and any resignation of such Agent shall only become effective upon the appointment in accordance with the Agency Agreement of one or more banks or financial institutions as replacement agent(s) in the required capacity. The right to termination or resignation for good cause will remain unaffected. If no replacement agent is appointed within twenty (20) calendar days of any Agent's resignation, then such Agent may itself, subject to certain requirements, appoint such replacement agent in the name of the Issuer.

Corporate Administration Agreement

Pursuant to a Corporate Administration Agreement the Corporate Administrator provides certain corporate and administrative services to the Issuer. The corporate services to be provided by the Corporate Administrator include:

- (i) provision of the registered address for the Issuer;
- (ii) proposing to the Issuer at least two persons but not more than three persons that fulfil the criteria for managing directors set out in the articles of association (*Gesellschaftsvertrag*) of the Issuer to be appointed by the Issuer's shareholders' meeting as managing directors of the Issuer and if the appointment of any managing director has been revoked for any reason whatsoever and the Corporate Administration Agreement has not been terminated at such time, proposing to the Issuer a person to be appointed by the Issuer's shareholders' meeting as a new managing director of the Issuer;
- (iii) assisting the managing directors of the Issuer in complying with their duties under statutory law and the articles of association of the Issuer;
- (iv) making available telephone, facsimile and post box facilities at the Issuer's registered address;
- (v) dealing with correspondence of the Issuer, including checking and filing and forwarding it to the respective contact persons;
- (vi) preparing and organising shareholders' meetings, preparing and circulating agendas and other documents or draft documents required at or in connection with such meetings, providing facilities for such meetings and keeping the minutes of such meetings;
- (vii) keeping and maintaining the Issuer's corporate files and maintaining the corporate records, including the list of shareholders and the minutes of the shareholders' meetings;
- (viii) mandating and supervising tax advisors to prepare tax returns and statutory financial statements;
- (ix) supervising matters related to the local registration with the commercial register;
- (x) mandating the managing directors of the Issuer to prepare the annual accounts of the Issuer;
- (xi) accounting for the Issuer, including, without limitation, the preparation of monthly statements according to German GAAP (*Generally Accepted Accounting Principles*) and IFRS (*International Financial Reporting Standards*), as relevant, and providing such monthly statements to the Seller or the Servicer (if different to the Seller) within three (3) Business Days after receipt of each Monthly Report from the Servicer in accordance with the Servicing Agreement;
- (xii) with the assistance of tax advisors if necessary, filing all applications for reverse VAT and undertaking all subsequent monthly VAT filings, if applicable;
- (xiii) undertaking quarterly statistical reporting to the German central bank (*Deutsche Bundesbank*) based on the respective reporting received by it from the Servicer (enclosure S1/P1 of their reporting to the German central bank);
- (xiv) undertaking monthly reporting to the German central bank (*Deutsche Bundesbank*) with respect to cross-border payments (*AWV-Meldungen*);
- (xv) instructing and providing assistance to the auditors of the Issuer to carry out the audit of the annual accounts of the Issuer and, if required, filing such accounts with the relevant authorities;

- (xvi) filing the Issuer's annual accounts and tax returns with the competent authorities;
- (xvii) assisting the tax advisors and/or auditors of the Issuer to ensure that all application forms (including for extending the certificate issued by a competent German local tax authority confirming that there is no obligation to withhold any taxes (*Dauerüberzahlerbescheinigung*)) are filed with the competent German local tax authority and that the Issuer is registered for tax purposes with respect to all applicable German taxes and using all reasonable endeavours to ensure that the Issuer complies in all respects with its obligations in respect of any applicable taxes;
- (xviii) instructing the tax advisors to prepare the annual tax returns of the Issuer and providing to the tax advisors all information necessary to prepare such returns and submitting such returns together with the annual accounts to the competent German tax authorities;
- (xix) being responsible for:
 - (a) ensuring that the Issuer complies with its obligations under the Transaction Documents and any other agreements entered into by it in relation to any Account; and
 - (b) performing all its duties under the Accounts Agreement with respect to each Account;
- (xx) notifying each of the Issuer and the Transaction Security Trustee without undue delay if the Corporate Administrator attains actual knowledge that the rating of the Account Bank is withdrawn or ceases to have the Account Bank Required Rating;
- (xxi) co-ordinating and facilitating the preparation and issuance by the Issuer of and, if requested by either the Issuer or the Transaction Security Trustee, drafting all notices, acknowledgements, consents and demands which the Issuer is required to provide or issue under the Transaction Documents and undertaking all other obligations required of it under the Transaction Documents, including, without limitation, forwarding a copy of any resolution passed by a majority or qualified majority (as applicable) of the Noteholders of any Class at any time to each Rating Agency without undue delay following its publication;
- (xxii) assisting the Issuer with and facilitating the identification of a suitable substitute servicer if the appointment of the Servicer under the Servicing Agreement is terminated and such termination is not due to the outsourcing of the servicing and collection of receivables and related collateral to a new direct or indirect subsidiary of the Seller or of a parent of the Seller;
- (xxiii) providing the services necessary to procure that the Issuer complies with (a) its obligations under the German Money Laundering Act (*Gesetz über das Aufspüren von Gewinnen aus schweren Straftaten - Geldwäschegesetz*) and (b) any other legal obligations applicable to it;
- (xxiv) acting as process agent on behalf of the Issuer in the Federal Republic of Germany;
- (xxv) providing all other services as are incidental to the above Corporate Services and as are from time to time agreed with the Issuer in connection with the transaction contemplated by the Transaction Documents;
- (xxvi) providing such further corporate administration services as may be required by the Issuer from time to time subject to the fees chargeable by the Corporate Administrator in accordance with the Corporate Administration Agreement;
- (xxvii) notifying the Transaction Security Trustee, the Issuer and the Servicer and if no back-up servicer has been appointed within thirty (30) calendar days after the occurrence of a Back-Up Servicer Trigger Event; and

(xxviii) notifying the Transaction Security Trustee, the Issuer, the Servicer and each Rating Agency if no back-up servicer has been appointed within ninety (90) calendar days after the occurrence of a Back-Up Servicer Trigger Event.

Each party to the Corporate Administration Agreement may terminate such agreement or any part thereof for good cause (*aus wichtigem Grund*) and, if possible, give the other party and the Transaction Security Trustee not less than thirty (30) calendar days' prior notice thereof. The Issuer may, with the prior written consent of the Transaction Security Trustee, terminate the appointment of the Corporate Administrator under the Corporate Administration Agreement by giving the Corporate Administrator not less than thirty (30) calendar days' prior notice of such termination. The Corporate Administrator may at any time resign from its office by giving the Issuer and the Transaction Security Trustee not less than thirty (30) calendar days' prior notice.

Any such resignation shall become effective only upon (i) the appointment by the Issuer, with the prior written consent of the Transaction Security Trustee, of another entity (the "**New Corporate Administrator**") and (ii) the giving of prior notice of such appointment to the Noteholders in accordance with Condition 13 (*Form of Notices*) of the Terms and Conditions. If the Issuer fails to appoint a New Corporate Administrator within ten (10) calendar days after receipt of the resignation notice given by the Corporate Administrator in accordance with item (b) above, then the resigning Corporate Administrator may appoint such New Corporate Administrator in the name and for the account of the Issuer by giving (i) prior notice of such appointment to the Noteholders in accordance with Condition 13 (*Form of Notices*) of the Terms and Conditions and (ii) at least fifteen (15) calendar days' prior notice of such appointment to the Issuer and the Transaction Security Trustee in accordance with the Corporate Administration Agreement.

In the event the Corporate Administrator resigns from office in accordance with the Corporate Administration Agreement without good cause (*ohne wichtigen Grund*) or the Issuer terminates the appointment of the Corporate Administrator due to its conduct constituting good cause (*wichtiger Grund*) for termination, the Corporate Administrator shall bear all costs and expenses directly associated with the appointment of a New Corporate Administrator (including the costs of all required publications and legal fees, if any).

Upon the termination or resignation of the Corporate Administrator becoming effective, the Corporate Administrator shall deliver to the Issuer, as it shall direct, all books of accounts, papers, records, registers, correspondence and documents in its possession or under its control relating to the affairs of or belonging to the Issuer, any original contracts and/or Transaction Documents, any monies then held by the Corporate Administrator on behalf of the Issuer and any other assets of the Issuer and shall take such further action as the Issuer may reasonably direct.

At any time following the appointment of a New Corporate Administrator in accordance with the terms of the Corporate Administration Agreement, the Corporate Administrator shall:

- (i) provide to the New Corporate Administrator all such information available to the Corporate Administrator as the New Corporate Administrator may reasonably require for the purposes of performing the functions of corporate administrator under the Corporate Administration Agreement;
- (ii) take such further action within its power with regard to the appointment of a New Corporate Administrator as the Issuer or the Transaction Security Trustee may reasonably request; and
- (iii) not take any action which would be likely to have a material adverse effect on the ability of the New Corporate Administrator to perform its obligations under the Corporate Administration Agreement.

EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS

The expected average life of the Class A Notes and the Class B Notes cannot be predicted as the actual rate at which the Purchased Receivables will be repaid and a number of other relevant factors are unknown.

Calculated estimates as to the expected average life of the Class A Notes and the Class B Notes can be made based on certain assumptions. These estimates have certain inherent limitations. No representations are made that such estimates are accurate, that all assumptions relating to such estimates have been considered or stated or that such estimates will be realised. The calculated estimates as to the expected average life of the Class A Notes and the Class B Notes are subject to change should one or more than one of the assumptions (a) to (f) below turn out to be incorrect.

The table below shows the expected average life of the Class A Notes and the Class B Notes based on the following assumptions:

- (a) that the Purchased Receivables are subject to a constant rate of prepayment as shown in the column entitled "**Constant Prepayment Rate**" in the table below;
- (b) that no Purchased Receivables are sold by the Issuer except as contemplated in the Credit and Collection Policy;
- (c) that the Notes are issued on the Note Issuance Date of 23 April 2015;
- (d) that no Purchased Receivables become delinquent;
- (e) that the 10% clean-up call option will be exercised in accordance with the Receivables Purchase Agreement and Condition 7.5 (*Early Redemption*) of the Terms and Conditions on the first Payment Date on which the opening balance is less than 10%;
- (f) that the cumulative gross loss is 0 % of the initial Aggregate Outstanding Principal Amount.

	Class A Notes			Class B Notes			
	Constant Prepayment Rate (%)	Expected Average Life (years)	First Principal Payment Date	Expected Maturity	Expected Average Life (years)	First Principal Payment Date	Expected Maturity
	0%	4.41	May-18	Dec-21	6.75	Dec-21	Jan-22
	9%	4.27	May-18	Sep-21	6.42	Sep-21	Sep-21
	14%	4.20	May-18	Jul-21	6.25	Jul-21	Jul-21
	19%	4.14	May-18	May-21	6.16	May-21	Jun-21

Assumption (a) above is stated as an average annualised prepayment rate as the prepayment rate for one Interest Period may be substantially different from that for another. The constant prepayment rates shown above are purely illustrative and do not represent the full range of possibilities for constant prepayment rates.

The average lives of the Class A Notes and the Class B Notes are subject to factors largely outside of the Issuer's control and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

DESCRIPTION OF THE PORTFOLIO

The Portfolio consists of the Purchased Receivables arising under the Loan Contracts and the Related Collateral, originated by the Seller pursuant to the Credit and Collection Policy. See "CREDIT AND COLLECTION POLICY". The Purchased Receivables included in the Portfolio are derived from a portfolio of loans to corporate entities, commercial customers and retail customers to finance the purchase of Financed Vehicles and were acquired by the Issuer pursuant to the Receivables Purchase Agreement. The Aggregate Outstanding Principal Amount as of the close of business (in Monchengladbach) on 31 March 2015 was EUR699,999,999.63.

The Seller has made, *inter alia*, the following representations and warranties with respect to the Portfolio under the Receivables Purchase Agreement to the Issuer:

- (a) On the Purchase Date any Receivable offered for purchase is an Eligible Receivable.
- (b) All the Loan Contracts are legally valid, binding, enforceable and assignable and that all Loan Contracts were entered into with respect to a Financed Vehicle registered in Germany title to which has been transferred by the relevant Debtor to the Seller as Related Collateral.
- (c) There exists in respect of each Receivable offered for sale and assignment to the Issuer under the Receivables Purchase Agreement the Related Collateral contemplated in the relevant Loan Contract.
- (d) In the event that it is agreed in the relevant Loan Contract that a comprehensive insurance policy (*Kaskoversicherung*) will be entered into, the respective Debtors have to enter into comprehensive insurance policies (*Kaskoversicherungen*) for the relevant Financed Vehicles which will continue to exist for the term of the Loan Contract. The Seller will, upon request of the Issuer, prove the existence of any such comprehensive insurance policy (*Kaskoversicherung*) and the compliance with any relevant notification or consent requirement applying to the assignment thereof to the Issuer under the Receivables Purchase Agreement.
- (e) Upon the payment of the purchase prices for the Receivables and the Related Collateral on the Purchase Date under the Receivables Purchase Agreement the Issuer will acquire the ownership of each Purchased Receivable assigned on the Purchase Date and the Related Collateral contemplated in the relevant Loan Contract free and clear of any Adverse Claim.
- (f) Neither the Purchased Receivables, the Related Collateral nor the claim for payment of Collections by the Servicer and the Seller to the Issuer is collateralised by a security interest in German-*situs* real property, or rights therein, or in ships, or rights in ships, registered in a German ship registry, or is evidenced by a security, such as a registered or bearer bond.

ELIGIBILITY CRITERIA

As of the Note Issuance Date (for this purpose the Specified Date), the following criteria (the **Eligibility Criteria**) must have been met by the Receivables to have been eligible for acquisition by the Issuer pursuant to the Receivables Purchase Agreement. The Eligibility Criteria constitute Appendix C to the Terms and Conditions and form an integral part of the Terms and Conditions.

A Receivable is an Eligible Receivable if it and any part thereof meets the following conditions:

1. The Receivable

- (a) was originated in the ordinary course of business of the Seller in accordance with the Credit and Collection Policy of the Seller and is based on the applicable general terms and conditions of business of the Seller;
 - (b) was originated on or after 11 June 2010;
 - (c) is denominated and payable in euro;
 - (d) the Loan Contract under which it arises has not been terminated, extended or restructured and such Receivable does not arise from an overdraft facility (*Kontokorrentkredit*);
 - (e) the loan facility under the relevant Loan Contract has been fully drawn by the relevant Debtor;
 - (f) the Loan Contract under which it arises has a minimum remaining term of one (1) month and a maximum remaining term of one hundred and fourteen (114) months, and its original term has not been greater than one hundred and twenty months; and
 - (g) has an outstanding principal amount and has a fixed interest rate and is fully amortising through payment of constant monthly instalments (except for the first instalment and the final instalment payable under the relevant Loan Contract which may differ from the monthly instalments payable for subsequent or previous months).
2. The Receivable exists and constitutes legally valid, binding and enforceable obligations of the respective Debtor, enforceable in accordance with the terms of the respective Loan Contract, and is not subject to any right of revocation (*Anfechtungsrecht*), set-off or counterclaim (other than set-off rights and counterclaims resulting from Seller Deposits held by the relevant Debtor or from claims of the relevant Debtor in connection with handling fees (*Bearbeitungsgebühren*)) or warranty claims of the Debtor and no other right of objection, irrespective of whether the Issuer knew or could have known of the existence of objections, defences or counter-rights.
 3. The Receivable may be segregated and identified at any time for purposes of ownership and Related Collateral in the electronic files of the Seller and such electronic files and the relating software is able to provide the information to be included in the offer with respect to such Receivables and Related Collateral pursuant to the Receivables Purchase Agreement.
 4. The Receivable arises under the Loan Contract which relates to the acquisition by the Debtor of the relevant Financed Vehicle and any Insurance Agreement entered into by such Debtor in respect thereof and is secured by such Financed Vehicle and at the time of sale and assignment of the relevant Receivable and of the Related Collateral the Seller has no direct possession (*unmittelbaren Besitz*) but indirect possession (*mittelbaren Besitz*) to and a valid claim for return of (*Herausgabeanspruch*) such Financed Vehicle.

5. The Receivable is owed by (i) a corporate entity or (ii) a commercial customer or (iii) a private customer who is a consumer (*Verbraucher*) under a consumer loan contract (*Verbraucherdarlehensvertrag*) within the meaning of Section 491(1) of the German Civil Code (*Bürgerliches Gesetzbuch*). In the case of a private customer or in the event that any commercial customer is a consumer (*Verbraucher*) within the meaning of Section 491(1) of the German Civil Code (*Bürgerliches Gesetzbuch*), the Seller has fully complied with any applicable consumer legislation with respect to such Receivable as of the date when it was originated, in particular (a) those Sections of the German Civil Code and the Introductory Act to the German Civil Code (*Einführungsgesetz zum Bürgerlichen Gesetzbuch*) (collectively, the **Distance Marketing Provisions**), which relate to distance marketing of consumer financial services (*Fernabsatzverträgen bei Finanzdienstleistungen*) and (b) those Sections of the German Civil Code which relate to consumer loan contracts (*Verbraucherdarlehensverträge*), and any applicable right of withdrawal (*Widerrufsrecht/Widerspruchsrecht*) or right to return (*Rückgaberecht*) of such Debtor with respect to the relevant Loan Contract or the relevant Financed Vehicle has irrevocably lapsed, provided that no Loan Contract under which a Receivable arises and to which the Distance Marketing Provisions apply constitutes a loan agreement that is connected or related with another agreement (*verbundener Vertrag oder zusammenhängender Vertrag*) within the meaning of the applicable provisions of the German Civil Code (other than any Insurance Agreement in respect of the relevant Financed Vehicle).
6. The Receivable is not, as of the Purchase Date (with respect to any Loan Instalments under the relevant Loan Contract) on which it is purchased, a Delinquent Receivable (and for the avoidance of doubt it is hereby agreed that any return of any amounts received by the Seller or the Servicer by way of direct debit (*Lastschrift*) to the relevant Debtor or intermediary credit institution because of a return of such direct debit (*Rücklastschrift*) shall not render the relevant Receivable to be an ineligible Receivable *ab initio* if, but only if, such Debtor has objected (*widersprechen*) to such direct debit within six (6) weeks of such debit), Defaulted Receivable or Disputed Receivable, and in particular the Debtor has not yet terminated or threatened to terminate the relevant Loan Contract, in each of the foregoing cases with respect to any Loan Instalment under the relevant Loan Contract and it is payable by a Debtor which is not the Debtor of any Defaulted Receivable. No breach of any obligation under any agreement (except for the obligation to pay) of any party exists with respect to the Receivable, the Seller has fully complied with its obligations under the Loan Contract and the supplier of the related Financed Vehicle has fully complied with its obligations under the relevant supply contract and any other relevant agreement with the Debtor and no warranty claims of the Debtor exist against such supplier under the relevant supply contract or other agreement.
7. The Receivable is a claim which can be transferred by way of assignment without the consent of the related Debtor and which shall be validly transferred, together with the Related Collateral, to the Issuer in the manner contemplated by the Receivables Purchase Agreement.
8. The Receivable is a Receivable (including any part thereof, the related Financed Vehicle and the other Related Collateral) to which the Seller is fully entitled, free of any rights of any third party, over which the Seller may freely dispose and in respect of which the Issuer will, upon acceptance of the Offer for the purchase of such Receivable as contemplated in the Receivables Purchase Agreement, acquire the title unencumbered by any counterclaim, set-off right (other than set-off rights and counterclaims resulting from Seller Deposits held by the relevant Debtor or from claims of the relevant Debtor in connection with handling fees (*Bearbeitungsgebühren*)), other objection and Adverse Claims (other than those of the Debtor under the related Loan Contract); in particular, such Receivable (and the Related Collateral) has not been assigned to any third party for refinancing and has been documented in a set of documents which designates the Financed Vehicle, the acquisition costs thereof, the related Debtor, the Loan Instalments, the applicable interest rate, the initial due dates and the term of the Loan Contract.

9. The Receivable has been created in compliance with all applicable laws, rules and regulations (in particular with respect to consumer protection and data protection) and all required consents, approvals and authorisations have been obtained in respect thereof and neither the Seller nor the Debtor are in violation of any such law, rule or regulation.
10. The Receivable is subject to German law.
11. The assignment of the Receivable does not violate any law or agreements (in particular with respect to consumer protection and data protection) to which the Seller is bound. Following the assignment of the Receivable and Related Collateral, such Receivable and the Related Collateral shall not be available to the creditors of the Seller on the occasion of any insolvency of the Seller.
12. At least one (1) due Loan Instalment has been fully paid for the Receivable prior to the respective Purchase Date.
13. The Receivable together with any other receivables to be purchased on the same Purchase Date and (as relevant) all Purchased Receivables does not exceed any Concentration Limit on the Purchase Date on which it is purchased. **Concentration Limit** shall mean each of the following requirements:
 - (a) On the relevant Purchase Date, the sum of the Outstanding Principal Amount of the Receivable and the Aggregate Outstanding Principal Amount of any other Receivable to be purchased on the same Purchase Date and all Purchased Receivables owed by the Debtor owing the Receivable does not exceed EUR 350,000.
 - (b) On the relevant Purchase Date, the weighted average interest rate relating to all Purchased Receivables (including the Receivable and any other Receivable to be purchased on the same Purchase Date) is at least equal to 4.25% per annum.
 - (c) In the event that the Receivable relates to a Financed Vehicle which is not a Used Vehicle, on the relevant Purchase Date, the ratio (expressed as a percentage) of the aggregate Principal Amounts of the Receivable and any other Receivable to be purchased on the same Purchase Date which relate to Financed Vehicles which are not Used Vehicles in relation to the aggregate Principal Amounts of the Receivable and any other Receivable to be purchased on the same Purchase Date is at least equal to 47. **Used Vehicle** shall mean any Financed Vehicle the date of purchase of which by the relevant Debtor was later than twelve (12) months after the date of first registration (*Tag der Erstzulassung*) of such Financed Vehicle.
 - (d) On the relevant Purchase Date, the weighted average remaining term of the Loan Contracts relating to all Purchased Receivables (including the Receivable and any other Receivable to be purchased on the same Purchase Date) does not exceed 55 months.
 - (e) On the relevant Purchase Date, the aggregate Principal Amounts of all Purchased Receivables (including the Receivables to be purchased on the same Purchase Date) which arise under balloon loans does not exceed 45% of the aggregate Principal Amounts of all Purchased Receivables (including the Receivables to be purchased on the same Purchase Date). A **balloon loan** is a loan where the final payment due is higher than any of the previous loan instalments payable by the relevant Debtor.
 - (f) On the relevant Purchase Date, the aggregate Principal Amounts of all Purchased Receivables (including the Receivables to be purchased on the same Purchase Date) resulting from online business do not exceed 10% of the aggregate Principal Amounts of all Purchased Receivables (including the Receivables to be purchased on the same Purchase Date).

14. The Receivable is due from a Debtor who is (a) a corporate entity having its registered office in Germany or (b) a commercial customer resident in Germany or (c) a private individual resident in Germany.
15. The Receivable is due from a Debtor who is not insolvent or bankrupt (*zahlungsunfähig*, including imminent inability to pay its debts (*drohende Zahlungsunfähigkeit*)) or over-indebted (*überschuldet*) and against whom no proceedings for the commencement of insolvency proceedings are pending in any jurisdiction.
16. The Receivable is not due from a Debtor who is either an employee or an officer of Santander Consumer Bank AG.

INFORMATION TABLES REGARDING THE PORTFOLIO

The following statistical information sets out certain characteristics of the Purchased Receivables as of 31 March 2015 (for this purpose the Specified Date), unless indicated otherwise. The information set out below in respect of the Portfolio may not necessarily correspond to that of the Purchased Receivables as of the Note Issuance Date as a result of prepayments and repayments prior to the Note Issuance Date or failure to comply with the Eligibility Criteria on the Notes Issuance Date. After the Note Issuance Date, the Portfolio will change from time to time as a result of repayment, prepayments or repurchase of Purchased Receivables.

1. Original Principal Balance

<i>Original Principal Balance (Ranges in EUR)</i>	<i>Original Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
0: 1,999	216,094.75	0.02%	135	0.23%
2,000: 3,999	5,491,626.02	0.59%	1,718	2.96%
4,000: 5,999	19,736,514.05	2.12%	3,907	6.74%
6,000: 7,999	36,300,571.68	3.90%	5,170	8.92%
8,000: 9,999	50,945,055.76	5.47%	5,661	9.77%
10,000:11,999	69,767,228.04	7.49%	6,388	11.02%
12,000:13,999	74,559,479.12	8.00%	5,746	9.91%
14,000:15,999	82,190,649.63	8.82%	5,478	9.45%
16,000:17,999	76,273,300.97	8.19%	4,494	7.75%
18,000:19,999	71,108,948.11	7.63%	3,749	6.47%
20,000:21,999	70,990,572.82	7.62%	3,396	5.86%
22,000:23,999	58,416,154.84	6.27%	2,544	4.39%
24,000:25,999	50,500,163.71	5.42%	2,023	3.49%
26,000:27,999	44,137,962.17	4.74%	1,638	2.83%
28,000:29,999	35,989,345.00	3.86%	1,243	2.14%
30,000:31,999	30,884,040.40	3.32%	998	1.72%
32,000:33,999	24,064,091.55	2.58%	730	1.26%
34,000:35,999	19,662,827.73	2.11%	563	0.97%
36,000:37,999	16,244,270.91	1.74%	440	0.76%
38,000:39,999	14,411,195.36	1.55%	370	0.64%
40,000:41,999	12,230,674.93	1.31%	299	0.52%
42,000:43,999	11,080,522.37	1.19%	258	0.45%
44,000:45,999	7,377,872.94	0.79%	164	0.28%
46,000:47,999	7,041,975.98	0.76%	150	0.26%
48,000:49,999	5,485,214.20	0.59%	112	0.19%
50,000:51,999	5,236,166.51	0.56%	103	0.18%
52,000:53,999	4,551,536.61	0.49%	86	0.15%
54,000:55,999	3,680,272.78	0.40%	67	0.12%
56,000:57,999	2,954,189.69	0.32%	52	0.09%
58,000:59,999	2,237,562.29	0.24%	38	0.07%
60,000:61,999	2,189,944.61	0.24%	36	0.06%
62,000:63,999	1,953,237.05	0.21%	31	0.05%
64,000:65,999	1,433,693.45	0.15%	22	0.04%
66,000:67,999	1,471,681.69	0.16%	22	0.04%
68,000:69,999	1,590,704.51	0.17%	23	0.04%
=> 70,000	9,144,402.41	0.98%	102	0.18%
Total	931,549,744.64	100.00%	57,956	100.00%
Statistics	in EUR			
Average Amount	16,073.40			

2. Current Principal Balance

<i>Current Principal Balance (Ranges in EUR)</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
0: 1,999	4,074,425.99	0.58%	3,568	6.16%
2,000: 3,999	17,845,192.09	2.55%	5,875	10.14%
4,000: 5,999	33,610,557.21	4.80%	6,702	11.56%
6,000: 7,999	47,320,855.54	6.76%	6,756	11.66%
8,000: 9,999	57,131,873.47	8.16%	6,356	10.97%
10,000:11,999	60,720,712.64	8.67%	5,533	9.55%
12,000:13,999	58,813,624.22	8.40%	4,535	7.82%
14,000:15,999	55,580,325.61	7.94%	3,719	6.42%
16,000:17,999	50,818,111.17	7.26%	2,996	5.17%
18,000:19,999	47,104,715.16	6.73%	2,483	4.28%
20,000:21,999	44,492,289.79	6.36%	2,122	3.66%
22,000:23,999	37,188,305.34	5.31%	1,618	2.79%
24,000:25,999	33,273,187.66	4.75%	1,333	2.30%
26,000:27,999	26,696,444.97	3.81%	989	1.71%
28,000:29,999	20,605,854.73	2.94%	711	1.23%
30,000:31,999	17,168,557.87	2.45%	555	0.96%
32,000:33,999	14,808,941.94	2.12%	449	0.77%
34,000:35,999	11,289,957.08	1.61%	323	0.56%
36,000:37,999	10,760,841.43	1.54%	291	0.50%
38,000:39,999	7,679,042.38	1.10%	197	0.34%
40,000:41,999	6,520,088.42	0.93%	159	0.27%
42,000:43,999	6,103,020.97	0.87%	142	0.25%
44,000:45,999	4,816,380.12	0.69%	107	0.18%
46,000:47,999	3,848,712.77	0.55%	82	0.14%
48,000:49,999	2,792,312.55	0.40%	57	0.10%
50,000:51,999	2,956,612.97	0.42%	58	0.10%
52,000:53,999	1,802,766.46	0.26%	34	0.06%
54,000:55,999	1,711,432.31	0.24%	31	0.05%
56,000:57,999	1,316,113.44	0.19%	23	0.04%
58,000:59,999	1,417,537.30	0.20%	24	0.04%
60,000:61,999	1,285,391.10	0.18%	21	0.04%
62,000:63,999	885,420.60	0.13%	14	0.02%
64,000:65,999	1,037,738.62	0.15%	16	0.03%
66,000:67,999	733,581.05	0.10%	11	0.02%
68,000:69,999	692,203.37	0.10%	10	0.02%
=> 70,000	5,096,871.29	0.73%	56	0.10%
Total	699,999,999.63	100.00%	57,956	100.00%
Statistics	in EUR			
Average Amount	12,078.13			

3. Borrower Concentration

3. Borrower Concentration				
<i>No</i>	<i>Current</i>	<i>Principal</i>	<i>Percentage of Total</i>	<i>Number</i>
	<i>Balance in EUR</i>		<i>Balance</i>	<i>of</i>
				<i>Loans</i>
1	247,244.40		0.0353%	1
2	174,689.79		0.0250%	1
3	138,231.84		0.0197%	1
4	122,373.93		0.0175%	1
5	121,153.45		0.0173%	2
6	118,977.76		0.0170%	18
7	115,298.35		0.0165%	1
8	114,037.25		0.0163%	1
9	109,547.13		0.0156%	1
10	106,565.90		0.0152%	1
11	103,644.97		0.0148%	9
12	101,275.89		0.0145%	1
13	101,099.36		0.0144%	10
14	98,757.66		0.0141%	2
15	96,251.16		0.0138%	1
16	95,566.79		0.0137%	4
17	95,444.79		0.0136%	1
18	95,083.12		0.0136%	7
19	94,753.29		0.0135%	4
20	94,322.63		0.0135%	1
21	94,119.59		0.0134%	1
22	94,055.57		0.0134%	1
23	93,419.43		0.0133%	2
24	93,133.80		0.0133%	2
25	92,246.61		0.0132%	3
Total	2,811,294.46		0.4016%	77

4. Geographical Distribution

<i>State</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
Baden-Württemberg	54,141,629.82	7.73%	4,335	7.48%
Bavaria	69,152,792.98	9.88%	5,498	9.49%
Berlin	28,241,967.10	4.03%	2,479	4.28%
Brandenburg	51,014,963.31	7.29%	4,236	7.31%
Bremen	4,187,741.81	0.60%	314	0.54%
Hamburg	11,056,465.99	1.58%	910	1.57%
Hesse	45,477,907.87	6.50%	3,750	6.47%
Mecklenburg-Western Pomerania	65,925,080.86	9.42%	5,299	9.14%
Lower Saxony	37,752,750.26	5.39%	2,957	5.10%
North Rhine-Westphalia	128,080,228.92	18.30%	10,836	18.70%
Rhineland-Palatinate	27,802,468.59	3.97%	2,349	4.05%
Saarland	6,931,536.41	0.99%	580	1.00%
Saxony	58,690,698.98	8.38%	5,252	9.06%
Saxony-Anhalt	41,336,548.81	5.91%	3,535	6.10%
Schleswig-Holstein	28,966,226.29	4.14%	2,264	3.91%
Thuringia	38,516,793.23	5.50%	3,153	5.44%
n/a	2,724,198.40	0.39%	209	0.36%
Total	699,999,999.63	100.00%	57,956	100.00%

5. Object Type

<i>Car type</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
New Vehicle	329,036,496.39	47.01%	22,518	38.85%
Used Vehicle	370,963,503.24	52.99%	35,438	61.15%
Total	699,999,999.63	100.00%	57,956	100.00%

<i>Object Type</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
Car	663,477,304.09	94.78%	54,580	94.17%
Motorbike	24,311,134.49	3.47%	1,048	1.81%
Leisure	12,211,561.05	1.74%	2,328	4.02%
Total	699,999,999.63	100.00%	57,956	100.00%

6. Insurance Coverage

<i>Payment Protection Insurance</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
No	427,811,532.51	61.12%	33,748	58.23%
Yes	272,188,467.12	38.88%	24,208	41.77%
Total	699,999,999.63	100.00%	57,956	100.00%

<i>Santander Safe</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
No	551,553,548.96	78.79%	46,721	80.61%
Yes	148,446,450.67	21.21%	11,235	19.39%
Total	699,999,999.63	100.00%	57,956	100.00%

<i>Santander AutoCare</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
No	651,878,512.41	93.13%	53,897	93.00%
Yes	48,121,487.22	6.87%	4,059	7.00%
Total	699,999,999.63	100.00%	57,956	100.00%

7a. Type of Contract

<i>Contracts with Balloon Payments</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
No	442,012,197.28	63.14%	43,014	74.22%

Yes	257,987,802.35	36.86%	14,942	25.78%
- of which balloon rates	137,055,658.33	19.58%		
- of which regular installments	120,932,144.02	17.28%		
Total	699,999,999.63	100.00%	57,956	100.00%

7b. Balloon Loans according to Original Term

<i>Original Term in Months</i>	<i>Balloon Loans Principal in EUR</i>	<i>Balloon Rates in % of Total Current Outstanding</i>	<i>Number of Loans</i>	<i>Balloon Rates in % of Total Balloon Loans</i>
0:12	491,462.55	0.36%	55	0.37%
13:25	6,528,198.88	4.76%	811	5.43%
26:38	28,987,618.92	21.15%	2,999	20.07%
39:51	52,236,259.91	38.11%	5,587	37.39%
52:64	48,614,798.83	35.47%	5,479	36.67%
65:72	148,569.54	0.11%	8	0.05%
73:	48,749.70	0.04%	3	0.02%
Total	137,055,658.33	100.00%	14,942	100.00%

7c. Balloon Loans according to Remaining Term

<i>Remaining Term in Months</i>	<i>Balloon Loans Principal in EUR</i>	<i>Balloon Rates in % of Total Current Outstanding</i>	<i>Number of Loans</i>	<i>Balloon Rates in % of Total Balloon Loans</i>
0:12	15,549,598.50	11.35%	1,948	13.04%
13:25	26,999,774.98	19.70%	3,029	20.27%
26:38	40,050,785.49	29.22%	4,241	28.38%
39:51	38,493,505.62	28.09%	4,057	27.15%
52:64	15,898,940.93	11.60%	1,663	11.13%
65:72	63,052.81	0.05%	4	0.03%
Total	137,055,658.33	100.00%	14,942	100.00%

8. Method of Payment

<i>Payment Method</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
Direct Debit	696,904,454.49	99.56%	57,645	99.46%
Other	3,095,545.14	0.44%	311	0.54%
Total	699,999,999.63	100.00%	57,956	100.00%

<i>Cycle of Payment</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
15th of month	362,590,923.56	51.80%	30,155	52.03%
1st of month	337,409,076.07	48.20%	27,801	47.97%
Total	699,999,999.63	100.00%	57,956	100.00%

9. Downpayment

<i>Downpayment Purchase Price</i>	<i>and All contracts</i>	<i>Contracts with downpayment</i>
Average downpayment	4,047.25	5,711.98
Average purchase price	19,562.64	21,228.27
Mimimum Downpayment		100.00
Maximum Downpayment		150,000.00
Downpayment in %	20.69%	26.91%

<i>Downpayment</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>	<i>Downpayment / Purchase price in %</i>
No Downpayment	207,243,264.66	29.61%	16,891	29.14%	0.00%
0: 999	8,054,006.06	1.15%	1,244	2.15%	6.85%
1000: 1999	30,570,249.10	4.37%	4,379	7.56%	12.94%
2000: 2999	56,168,581.80	8.02%	6,533	11.27%	16.82%
3000: 3999	63,991,968.05	9.14%	6,009	10.37%	18.75%
4000: 4999	53,691,617.52	7.67%	4,328	7.47%	21.00%
5000: 5999	66,228,559.86	9.46%	4,928	8.50%	23.03%
6000: 6999	36,410,604.72	5.20%	2,569	4.43%	25.72%
7000: 7999	28,192,501.58	4.03%	1,935	3.34%	27.95%
8000: 8999	24,117,732.08	3.45%	1,689	2.91%	31.06%
9000: 9999	13,437,732.73	1.92%	879	1.52%	32.52%
10000:10999	34,258,342.51	4.89%	2,173	3.75%	33.51%
11000:11999	9,545,187.07	1.36%	587	1.01%	35.70%
12000:12999	9,675,926.52	1.38%	625	1.08%	38.63%
13000:13999	6,557,086.25	0.94%	423	0.73%	39.74%
14000:14999	5,468,531.17	0.78%	344	0.59%	41.38%
15000:15000	9,263,643.54	1.32%	543	0.94%	41.39%
15001:	37,124,464.41	5.30%	1,877	3.24%	47.31%
Total	699,999,999.63	100.00%	57,956	100.00%	20.69%

10. Yield

<i>Yield Range</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
1:1	803,894.14	0.11%	42	0.07%
2:2	21,185,709.29	3.03%	1,264	2.18%
3:3	136,879,032.45	19.55%	8,047	13.88%
4:4	263,466,148.88	37.64%	19,352	33.39%
5:5	182,197,136.19	26.03%	17,058	29.43%
6:6	65,914,544.59	9.42%	7,770	13.41%
7:7	20,118,532.50	2.87%	2,797	4.83%
8:8	6,264,271.44	0.89%	1,055	1.82%
9:9	2,753,798.56	0.39%	517	0.89%
10:10	338,329.32	0.05%	38	0.07%
11:11	53,142.52	0.01%	7	0.01%
12:12	16,696.92	0.00%	6	0.01%
13:13	1,478.05	0.00%	1	0.00%
14:14	7,284.78	0.00%	2	0.00%
Total	699,999,999.63	100.00%	57,956	100.00%

Statistics

WA Interest 5.18%

11. Seasoning

<i>Remaining Term in Months</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
0: 2	22,306,469.03	3.19%	1,341	2.31%
3: 5	106,504,134.54	15.21%	6,688	11.54%
6: 8	107,929,141.61	15.42%	7,222	12.46%
9:11	104,651,660.89	14.95%	7,392	12.75%
12:14	91,699,260.46	13.10%	6,816	11.76%
15:17	70,229,354.69	10.03%	5,536	9.55%
18:20	52,683,303.90	7.53%	4,589	7.92%
21:23	26,622,152.87	3.80%	2,951	5.09%
24:26	17,823,666.70	2.55%	1,924	3.32%
27:29	12,793,083.18	1.83%	1,384	2.39%
30:32	14,056,820.01	2.01%	1,644	2.84%
33:35	15,349,620.49	2.19%	1,932	3.33%
36:38	13,641,590.17	1.95%	1,773	3.06%
39:41	10,990,111.24	1.57%	1,480	2.55%
42:44	9,627,018.46	1.38%	1,419	2.45%
45:47	8,522,260.10	1.22%	1,415	2.44%
48:50	5,696,540.59	0.81%	900	1.55%
51:53	3,961,909.51	0.57%	602	1.04%
54:56	3,354,203.29	0.48%	623	1.07%
57:59	1,557,697.90	0.22%	325	0.56%
Total	699,999,999.63	100.00%	57,956	100.00%

Statistics **in months**
 WA Seasoning 14.87

12. Remaining Term

<i>Remaining Term in Months</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
0: 6	12,065,329.10	1.72%	3,880	6.69%
7: 13	25,587,567.69	3.66%	4,804	8.29%
14: 20	46,611,356.27	6.66%	6,338	10.94%
21: 27	64,546,622.29	9.22%	6,820	11.77%
28: 34	95,978,994.92	13.71%	8,061	13.91%
35: 41	82,696,591.66	11.81%	6,302	10.87%
42: 48	101,707,673.47	14.53%	6,667	11.50%
49: 55	83,638,410.46	11.95%	5,133	8.86%
56: 62	55,998,135.00	8.00%	3,291	5.68%
63: 69	30,527,427.67	4.36%	1,849	3.19%
70: 76	17,020,782.25	2.43%	973	1.68%
77: 83	28,349,418.17	4.05%	1,451	2.50%
84: 90	31,718,981.47	4.53%	1,472	2.54%
91: 97	16,393,760.18	2.34%	691	1.19%
98:104	2,577,419.22	0.37%	82	0.14%
105:107	1,225,040.89	0.18%	37	0.06%
108:	3,356,488.92	0.48%	105	0.18%
Total	699,999,999.63	100.00%	57,956	100.00%

Statistics

in months

WA Remaining Term

45.05

13. Original Term

<i>Original Months</i>	<i>Term in</i>	<i>Current Balance in EUR</i>	<i>Principal</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
0: 12		1,514,043.00		0.22%	361	0.62%
13: 25		24,089,186.95		3.44%	4,198	7.24%
26: 38		101,691,410.20		14.53%	11,032	19.04%
39: 51		174,990,808.07		25.00%	14,951	25.80%
52: 64		204,171,211.03		29.17%	15,252	26.32%
65: 77		65,958,959.02		9.42%	5,087	8.78%
78: 90		28,781,388.57		4.11%	1,879	3.24%
91:103		85,603,204.16		12.23%	4,763	8.22%
104:116		238,224.43		0.03%	8	0.01%
117:119		1,518,170.72		0.22%	46	0.08%
120		11,443,393.48		1.63%	379	0.65%
Total		699,999,999.63		100.00%	57,956	100.00%

Statistics

in months

59.92

14. Overview on Top 15 Manufacturers

<i>No</i>	<i>Current Principal Balance in EUR</i>	<i>Percentage of Total Balance</i>	<i>Number of Loans</i>	<i>Percentage of Total Loans</i>
1	68,370,028.57	9.77%	6053	10.44%
2	59,745,949.05	8.54%	5524	9.53%
3	57,657,377.97	8.24%	3863	6.67%
4	42,721,804.37	6.10%	4294	7.41%
5	42,422,241.96	6.06%	2926	5.05%
6	41,573,292.50	5.94%	2281	3.94%
7	37,355,518.11	5.34%	2712	4.68%
8	36,221,131.12	5.17%	3683	6.35%
9	34,054,883.30	4.86%	2409	4.16%
10	33,913,796.30	4.84%	3327	5.74%
11	28,352,620.98	4.05%	2019	3.48%
12	27,917,043.87	3.99%	1871	3.23%
13	25,547,376.25	3.65%	1711	2.95%
14	24,505,682.52	3.50%	2048	3.53%
15	20,038,433.66	2.86%	2019	3.48%
Total TOP 15	580,397,180.53	82.91%	46,740	80.65%

Included manufacturer brands in Top 15 in alphabetical order:

Audi, BMW, Citroen, Fiat, Ford, Hyndai, Kia, Mazda, Mercedes, Nissan, Opel, Peugeot, Renault, Volvo, VW

HISTORICAL DATA

1. Static Analysis Gross Losses – Total Dealer Originated Portfolio

For a generation of loans (being all loans originated during the same quarter), the cumulative gross (i.e. before recovery proceeds) losses in respect of a month is calculated as the ratio of: (i) the cumulative defaulted principal amount recorded between the month when such loans were originated and the relevant month, to (ii) the initial principal outstanding amount of such loans. In cases where recovery proceeds are based on repossessed and sold vehicles, such proceeds are added to the outstanding amount when such loan receivable becomes a defaulted receivable.

Static Analysis Gross Losses - Total Dealer Originated Portfolio

as of 31.12.2014

Quarter Business	New	cumulative losses in % / months after origination																							
		3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72
Q1 2008		0.01%	0.25%	0.69%	1.13%	1.70%	2.05%	2.71%	3.26%	3.65%	4.04%	4.44%	4.84%	5.22%	5.50%	5.77%	6.01%	6.19%	6.43%	6.51%	6.55%	6.63%	6.68%	6.76%	6.81%
Q2 2008		0.01%	0.13%	0.47%	1.03%	1.52%	2.03%	2.53%	3.06%	3.47%	4.00%	4.25%	4.64%	4.96%	5.24%	5.43%	5.66%	5.86%	5.99%	6.08%	6.16%	6.26%	6.32%	6.37%	6.40%
Q3 2008		0.05%	0.22%	0.63%	1.13%	1.59%	2.11%	2.49%	2.96%	3.41%	3.94%	4.24%	4.67%	5.00%	5.20%	5.46%	5.71%	5.88%	6.06%	6.23%	6.30%	6.41%	6.51%	6.58%	6.62%
Q4 2008		0.07%	0.25%	0.48%	0.86%	1.17%	1.65%	2.05%	2.62%	3.04%	3.40%	3.89%	4.26%	4.58%	4.92%	5.19%	5.50%	5.66%	5.88%	6.02%	6.13%	6.20%	6.31%	6.36%	6.41%
Q1 2009		0.04%	0.20%	0.41%	0.83%	1.09%	1.53%	1.97%	2.31%	2.68%	3.00%	3.39%	3.69%	3.95%	4.15%	4.29%	4.43%	4.57%	4.70%	4.80%	4.92%	5.04%	5.16%	5.20%	
Q2 2009		0.03%	0.13%	0.28%	0.65%	1.00%	1.42%	1.73%	2.04%	2.38%	2.61%	2.90%	3.20%	3.47%	3.69%	3.84%	3.99%	4.12%	4.26%	4.37%	4.52%	4.60%	4.69%		
Q3 2009		0.09%	0.18%	0.40%	0.70%	1.01%	1.30%	1.42%	1.78%	2.16%	2.56%	2.75%	3.00%	3.13%	3.30%	3.50%	3.61%	3.71%	3.81%	3.89%	3.96%	4.04%			
Q4 2009		0.02%	0.07%	0.20%	0.40%	0.80%	1.02%	1.38%	1.69%	1.95%	2.18%	2.44%	2.67%	2.84%	3.00%	3.21%	3.36%	3.54%	3.65%	3.72%	3.81%				
Q1 2010		0.01%	0.08%	0.24%	0.56%	0.80%	1.02%	1.35%	1.72%	1.99%	2.22%	2.43%	2.73%	2.94%	3.20%	3.29%	3.39%	3.57%	3.70%	3.77%					
Q2 2010		0.02%	0.03%	0.14%	0.28%	0.57%	0.86%	1.28%	1.59%	1.98%	2.20%	2.46%	2.65%	2.82%	2.93%	3.11%	3.22%	3.30%	3.40%						
Q3 2010		0.02%	0.09%	0.14%	0.56%	0.92%	1.26%	1.51%	1.78%	2.02%	2.23%	2.43%	2.69%	2.92%	3.09%	3.20%	3.33%	3.50%							
Q4 2010		0.00%	0.02%	0.12%	0.23%	0.51%	0.81%	1.17%	1.47%	1.62%	1.82%	2.03%	2.22%	2.48%	2.61%	2.72%	2.87%								
Q1 2011		0.00%	0.03%	0.10%	0.36%	0.64%	0.88%	1.15%	1.47%	1.73%	1.94%	2.19%	2.39%	2.51%	2.64%	2.74%									
Q2 2011		0.00%	0.08%	0.23%	0.42%	0.73%	1.08%	1.33%	1.61%	1.89%	2.08%	2.31%	2.45%	2.60%	2.74%										
Q3 2011		0.00%	0.04%	0.19%	0.47%	0.68%	0.95%	1.20%	1.52%	1.70%	2.03%	2.22%	2.51%	2.75%											
Q4 2011		0.01%	0.06%	0.21%	0.50%	0.72%	1.01%	1.41%	1.73%	2.06%	2.28%	2.45%	2.70%												

cumulative losses in % / months after origination

Quarter Business	New	cumulative losses in % / months after origination																							
		3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72
Q1 2012		0.01%	0.04%	0.17%	0.33%	0.54%	0.84%	1.11%	1.36%	1.70%	2.06%	2.21%													
Q2 2012		0.06%	0.12%	0.21%	0.42%	0.65%	0.88%	1.15%	1.37%	1.71%	1.90%														
Q3 2012		0.01%	0.22%	0.28%	0.59%	0.79%	1.05%	1.49%	1.78%	2.08%															
Q4 2012		0.06%	0.12%	0.27%	0.41%	0.67%	0.89%	1.16%	1.36%																
Q1 2013		0.01%	0.13%	0.24%	0.45%	0.75%	1.00%	1.20%																	
Q2 2013		0.02%	0.06%	0.21%	0.37%	0.62%	0.77%																		
Q3 2013		0.01%	0.08%	0.21%	0.42%	0.61%																			
Q4 2013		0.02%	0.04%	0.20%	0.37%																				
Q1 2014		0.02%	0.11%	0.32%																					
Q2 2014		0.00%	0.04%																						

2. Static Analysis Gross Losses – Total Online originated Portfolio

For a generation of loans (being all loans originated during the same quarter), the cumulative gross (i.e. before recovery proceeds) losses in respect of a month is calculated as the ratio of: (i) the cumulative defaulted principal amount recorded between the month when such loans were originated and the relevant month, to (ii) the initial principal outstanding amount of such loans. In cases where recovery proceeds are based on repossessed and sold vehicles, such proceeds are added to the outstanding amount when such loan receivable becomes a defaulted receivable.

Static Analysis Gross Losses - Total Online originated Portfolio

as of 31.12.2014

cumulative losses in % / months after origination

Quarter Business	New	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72	
Q1 2008		0.00%	0.14%	0.78%	1.17%	1.44%	2.03%	2.03%	2.53%	2.69%	2.69%	2.69%	2.76%	2.99%	3.54%	3.71%	4.16%	4.23%	4.46%	4.46%	4.55%	4.65%	4.65%	4.65%	4.65%	
Q2 2008		0.00%	0.00%	0.00%	0.27%	0.98%	1.27%	1.79%	1.87%	2.25%	2.48%	2.65%	2.85%	3.45%	3.45%	3.57%	3.68%	3.82%	3.96%	4.44%	4.44%	4.51%	4.51%	4.51%	4.51%	
Q3 2008		0.00%	0.00%	0.00%	0.54%	0.54%	0.95%	0.95%	1.15%	1.36%	1.61%	1.77%	2.17%	2.32%	2.32%	2.32%	2.32%	2.38%	2.46%	2.46%	2.46%	2.46%	2.47%	2.47%	2.47%	
Q4 2008		0.00%	0.11%	0.12%	0.48%	1.31%	1.71%	1.82%	2.17%	2.34%	2.43%	2.95%	4.38%	4.41%	4.56%	4.56%	4.56%	4.84%	4.84%	4.84%	4.84%	4.84%	4.84%	4.84%	4.84%	4.84%
Q1 2009		0.00%	0.00%	0.41%	0.41%	0.41%	0.69%	0.69%	1.99%	1.99%	2.19%	3.21%	3.21%	3.71%	3.79%	4.23%	4.23%	4.39%	4.39%	4.39%	4.53%	4.53%	4.68%	4.68%		
Q2 2009		0.00%	0.00%	2.26%	2.31%	2.94%	3.71%	3.99%	3.99%	5.06%	5.12%	5.12%	5.54%	5.65%	5.73%	5.88%	5.88%	6.28%	6.28%	6.28%	6.28%	6.28%	6.28%	6.28%		
Q3 2009		0.00%	0.00%	0.00%	0.75%	1.23%	1.25%	1.86%	1.98%	2.69%	2.88%	3.00%	3.17%	3.38%	3.38%	3.63%	3.63%	3.78%	3.78%	4.08%	4.15%	4.15%				
Q4 2009		0.00%	0.32%	0.36%	0.36%	0.63%	1.00%	1.00%	1.00%	1.21%	1.47%	1.53%	1.53%	1.57%	1.57%	1.57%	1.62%	1.62%	1.62%	1.62%	1.76%					
Q1 2010		0.00%	0.00%	0.31%	0.54%	0.67%	0.67%	0.74%	1.15%	1.51%	2.32%	2.53%	2.53%	2.57%	2.74%	2.74%	2.74%	2.74%	2.74%	2.76%	2.76%					
Q2 2010		0.00%	0.45%	0.45%	0.53%	0.59%	1.01%	1.10%	1.58%	1.83%	2.07%	2.07%	2.53%	2.57%	2.57%	2.81%	3.01%	3.01%	3.01%							
Q3 2010		0.00%	0.00%	0.01%	0.38%	0.71%	1.05%	1.29%	1.29%	1.63%	1.77%	2.25%	2.52%	2.64%	2.70%	2.80%	3.05%	3.38%								
Q4 2010		0.00%	0.00%	0.00%	0.74%	0.74%	1.28%	1.80%	2.19%	2.19%	2.19%	2.19%	2.43%	2.43%	2.43%	2.43%	2.43%									
Q1 2011		0.00%	0.00%	0.00%	0.14%	0.14%	0.42%	0.66%	0.66%	1.26%	1.26%	1.26%	1.26%	1.26%	1.68%	1.74%										
Q2 2011		0.00%	0.00%	0.80%	0.86%	1.03%	1.25%	1.25%	1.52%	2.08%	2.08%	2.08%	2.38%	2.60%	2.60%											
Q3 2011		0.00%	0.00%	0.04%	0.04%	0.04%	0.04%	0.24%	0.24%	0.32%	0.35%	0.58%	0.66%	0.80%												
Q4 2011		0.00%	0.00%	0.00%	0.00%	0.32%	0.32%	0.64%	0.64%	0.86%	0.88%	0.95%	0.95%													
Q1 2012		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.02%	0.18%	0.28%														
Q2 2012		0.00%	0.00%	0.00%	0.11%	0.11%	0.20%	0.20%	0.51%	0.80%	0.80%															
Q3 2012		0.00%	0.29%	0.29%	1.07%	1.85%	1.99%	2.16%	2.26%	2.26%																

cumulative losses in % / months after origination

Quarter Business	New	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72
Q4 2012		0.00%	0.00%	0.00%	0.13%	0.13%	0.29%	0.42%	0.42%																
Q1 2013		0.00%	0.00%	0.32%	0.52%	0.55%	0.84%	1.01%																	
Q2 2013		0.00%	0.00%	0.00%	0.21%	0.21%	0.31%																		
Q3 2013		0.00%	0.04%	0.29%	1.19%	1.19%																			
Q4 2013		0.00%	0.00%	0.00%	0.05%																				
Q1 2014		0.00%	0.00%	0.32%																					
Q2 2014		0.00%	0.37%																						
Q3 2014		0.00%																							

3. Static Analysis Total Recoveries Dealer originated Loans

For a generation of defaulted loans (being all loans defaulted during the same quarter), the cumulative recovery rate in respect of a month is calculated as the ratio of: (i) the cumulative net present value of recoveries recorded between the month when such loan receivables become defaulted receivables and the relevant month, to (ii) the gross defaulted principal amount of such loans (s. above for cumulative gross losses). Recoveries are based on customer payments, proceeds on vehicle sales and proceeds in cases of selling the loan to a recovery agency.

Static Analysis Total Recoveries Dealer originated Loans

as of 31.01.2015

cumulative recoveries in % / months after termination

Quarter of Termination	6	12	18	24	30	36	42	48	54	60
Q1 2008	32.83%	37.53%	39.82%	42.14%	43.68%	44.64%	45.13%	45.34%	45.58%	45.78%
Q2 2008	31.53%	36.67%	39.03%	40.07%	42.21%	42.80%	43.06%	43.40%	43.56%	43.76%
Q3 2008	30.54%	34.62%	37.21%	38.76%	40.63%	41.19%	41.61%	41.92%	42.33%	42.67%
Q4 2008	27.02%	33.15%	36.38%	38.56%	40.13%	40.95%	41.41%	41.78%	42.05%	42.28%
Q1 2009	29.55%	34.73%	37.49%	39.89%	41.73%	42.50%	43.07%	43.26%	43.50%	43.81%
Q2 2009	26.69%	31.57%	34.10%	36.11%	37.68%	38.39%	39.04%	39.37%	39.56%	39.89%
Q3 2009	32.01%	34.74%	37.29%	38.94%	40.22%	41.42%	41.94%	42.57%	42.78%	42.93%
Q4 2009	31.76%	35.93%	38.51%	39.76%	41.02%	41.81%	42.15%	42.39%	42.68%	42.87%
Q1 2010	38.33%	41.97%	42.76%	43.33%	44.76%	45.24%	45.43%	45.53%	45.65%	
Q2 2010	35.68%	37.22%	38.07%	38.77%	40.58%	40.77%	41.05%	41.24%	41.47%	
Q3 2010	36.90%	38.40%	39.11%	40.20%	41.96%	42.26%	42.47%	42.69%		
Q4 2010	38.36%	39.89%	41.04%	42.21%	43.82%	44.32%	44.52%	44.82%		
Q1 2011	39.58%	41.20%	42.66%	43.56%	45.26%	45.49%	45.60%			
Q2 2011	37.41%	38.41%	40.09%	40.62%	42.02%	42.22%	42.52%			
Q3 2011	34.48%	36.77%	38.47%	39.20%	40.97%	41.62%				
Q4 2011	37.22%	39.13%	40.54%	40.98%	42.71%	43.15%				
Q1 2012	38.00%	40.30%	41.16%	42.01%	43.59%					
Q2 2012	36.97%	38.93%	39.92%	40.70%	42.32%					

cumulative recoveries in % / months after termination

Quarter of Termination	6	12	18	24	30	36	42	48	54	60
Q3 2012	35.78%	38.05%	39.28%	39.88%						
Q4 2012	37.96%	39.83%	41.13%	42.02%						
Q1 2013	35.28%	36.70%	38.23%							
Q2 2013	41.85%	43.16%	44.17%							
Q3 2013	37.95%	40.23%								
Q4 2013	38.45%	40.46%								
Q1 2014	39.20%									
Q2 2014	40.51%									

4. Static Analysis Total Recoveries Online Originated

For a generation of defaulted loans (being all loans defaulted during the same quarter) used to finance used vehicles, the cumulative recovery rate in respect of a month is calculated as the ratio of: (i) the cumulative net present value of recoveries recorded between the month when such loan receivables become defaulted receivables and the relevant month, to (ii) the gross defaulted principal amount of such loans (s. above for cumulative gross losses). Recoveries are based on customer payments, proceeds on vehicle sales and proceeds in cases of selling the loan to a recovery agency.

Static Analysis Total Recoveries Online Originated

as of 31.01.2015

cumulative recoveries in % / months after termination

Quarter of Termination	6	12	18	24	30	36	42	48	54	60
Q1 2008	23.47%	27.75%	31.48%	32.22%	33.75%	34.15%	34.66%	35.04%	35.41%	36.17%
Q2 2008	10.73%	14.09%	17.09%	17.53%	19.58%	20.24%	20.92%	21.38%	21.87%	21.94%
Q3 2008	33.69%	41.21%	37.69%	38.26%	40.04%	40.11%	40.20%	40.44%	40.57%	40.62%
Q4 2008	6.68%	8.70%	11.01%	13.43%	15.15%	15.40%	16.40%	16.64%	16.80%	17.04%
Q1 2009	19.19%	24.50%	25.50%	26.97%	28.21%	28.21%	28.29%	28.31%	28.42%	28.42%
Q2 2009	13.87%	15.51%	17.05%	20.95%	22.10%	22.99%	23.61%	23.94%	24.20%	24.32%
Q3 2009	15.16%	17.41%	19.29%	19.26%	21.27%	21.86%	21.98%	21.98%	21.98%	21.99%
Q4 2009	36.29%	38.09%	40.02%	40.56%	41.52%	42.13%	42.51%	42.93%	43.36%	43.41%

cumulative recoveries in % / months after termination

Quarter of Termination	6	12	18	24	30	36	42	48	54	60
Q1 2010	23.38%	25.75%	26.59%	27.72%	30.02%	30.84%	31.59%	31.70%	31.77%	
Q2 2010	30.15%	31.56%	35.08%	35.14%	37.24%	37.30%	37.34%	37.39%	37.43%	
Q3 2010	31.49%	36.08%	37.07%	38.85%	40.58%	40.58%	40.78%	41.56%		
Q4 2010	23.61%	29.49%	34.69%	35.65%	37.16%	37.39%	40.50%	40.61%		
Q1 2011	28.74%	31.50%	32.75%	32.92%	35.06%	35.06%	35.06%			
Q2 2011	28.94%	29.73%	30.30%	32.41%	33.34%	33.76%	33.76%			
Q3 2011	30.81%	31.96%	32.29%	32.40%	34.71%	34.76%				
Q4 2011	36.41%	37.70%	37.98%	37.97%	39.31%	39.31%				
Q1 2012	29.76%	33.26%	34.14%	34.35%	36.36%					
Q2 2012	41.51%	42.96%	43.92%	44.08%	44.84%					
Q3 2012	41.02%	42.20%	42.37%	44.03%						
Q4 2012	20.95%	22.72%	25.54%	28.01%						
Q1 2013	43.06%	44.84%	46.98%							
Q2 2013	21.93%	24.40%	25.79%							
Q3 2013	30.19%	30.62%								
Q4 2013	25.20%	27.83%								
Q1 2014	37.79%									
Q2 2014	35.59%									

5. Delinquencies 31-60 Days, 61-90 Days, 91-120 Days, 121-150 Days and 151-180 Days Past Due in % Total Dealer originated Portfolio

At a given month, the delinquency rate is calculated as the ratio of: (i) the outstanding principal balance of all delinquent loans in the respective overdue bucket, to (ii) the outstanding principal balance of all loans (defaulted loans excluded) at the end of the same month.

Delinquencies 31-60, 61-90, 91-120, 121-150, 151-180 Days Past Due in % Total Dealer originated Portfolio

as of 31.01.2015

Year	2008	2009
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days past due	31-60	61-90	91-120	121-150	151-180	31-60	61-90	91-120	121-150	151-180
January	0.87%	0.43%	0.25%	0.18%	0.50%	0.84%	0.45%	0.24%	0.14%	0.46%
February	0.84%	0.45%	0.30%	0.11%	0.47%	0.94%	0.50%	0.27%	0.15%	0.45%
March	0.88%	0.47%	0.24%	0.16%	0.40%	0.95%	0.46%	0.25%	0.14%	0.45%
April	0.91%	0.43%	0.27%	0.12%	0.43%	0.81%	0.50%	0.31%	0.14%	0.44%
May	0.86%	0.49%	0.25%	0.16%	0.42%	0.98%	0.46%	0.29%	0.16%	0.40%
June	0.87%	0.48%	0.30%	0.15%	0.45%	0.83%	0.48%	0.28%	0.15%	0.41%
July	0.77%	0.45%	0.27%	0.16%	0.48%	0.75%	0.38%	0.27%	0.16%	0.39%
August	0.84%	0.43%	0.24%	0.14%	0.48%	0.80%	0.41%	0.25%	0.15%	0.45%
September	0.83%	0.43%	0.24%	0.13%	0.50%	0.84%	0.40%	0.26%	0.15%	0.43%
October	0.77%	0.41%	0.23%	0.14%	0.45%	0.86%	0.47%	0.24%	0.16%	0.42%
November	0.94%	0.43%	0.27%	0.13%	0.49%	0.77%	0.43%	0.26%	0.14%	0.43%
December	0.80%	0.43%	0.23%	0.15%	0.44%	0.75%	0.38%	0.21%	0.17%	0.35%
Year	2010					2011				
days past due	31-60	61-90	91-120	121-150	151-180	31-60	61-90	91-120	121-150	151-180
January	0.80%	0.39%	0.21%	0.13%	0.41%	0.64%	0.36%	0.21%	0.14%	0.29%
February	0.84%	0.43%	0.22%	0.12%	0.36%	0.69%	0.34%	0.20%	0.13%	0.34%
March	0.70%	0.38%	0.23%	0.13%	0.33%	0.63%	0.35%	0.20%	0.12%	0.33%
April	0.71%	0.37%	0.20%	0.17%	0.32%	0.61%	0.34%	0.23%	0.13%	0.31%
May	0.66%	0.38%	0.21%	0.13%	0.34%	0.55%	0.31%	0.18%	0.14%	0.28%
June	0.64%	0.34%	0.21%	0.12%	0.32%	0.58%	0.30%	0.17%	0.13%	0.30%
July	0.62%	0.32%	0.19%	0.12%	0.30%	0.60%	0.29%	0.17%	0.11%	0.31%
August	0.63%	0.31%	0.17%	0.12%	0.31%	0.49%	0.27%	0.15%	0.11%	0.27%
September	0.63%	0.32%	0.16%	0.10%	0.31%	0.44%	0.22%	0.15%	0.10%	0.24%
October	0.68%	0.31%	0.20%	0.11%	0.29%	0.41%	0.23%	0.13%	0.10%	0.24%

November	0.69%	0.34%	0.18%	0.14%	0.27%	0.46%	0.23%	0.13%	0.10%	0.21%
December	0.57%	0.34%	0.22%	0.12%	0.24%	0.43%	0.23%	0.15%	0.09%	0.22%
Year	2012					2013				
days past due	31-60	61-90	91-120	121-150	151-180	31-60	61-90	91-120	121-150	151-180
January	0.45%	0.23%	0.14%	0.07%	0.18%	0.42%	0.19%	0.12%	0.08%	0.14%
February	0.45%	0.26%	0.15%	0.10%	0.16%	0.38%	0.19%	0.12%	0.07%	0.14%
March	0.48%	0.24%	0.14%	0.09%	0.20%	0.43%	0.21%	0.10%	0.06%	0.13%
April	0.46%	0.27%	0.14%	0.09%	0.21%	0.38%	0.18%	0.12%	0.07%	0.12%
May	0.47%	0.27%	0.14%	0.09%	0.21%	0.37%	0.17%	0.09%	0.08%	0.13%
June	0.47%	0.25%	0.15%	0.09%	0.20%	0.40%	0.19%	0.11%	0.06%	0.13%
July	0.41%	0.21%	0.11%	0.09%	0.23%	0.35%	0.17%	0.11%	0.06%	0.10%
August	0.39%	0.19%	0.11%	0.07%	0.20%	0.36%	0.16%	0.11%	0.07%	0.11%
September	0.43%	0.22%	0.11%	0.07%	0.20%	0.43%	0.17%	0.09%	0.06%	0.11%
October	0.38%	0.19%	0.13%	0.07%	0.15%	0.38%	0.22%	0.10%	0.06%	0.10%
November	0.38%	0.19%	0.11%	0.08%	0.17%	0.36%	0.18%	0.11%	0.07%	0.11%
December	0.40%	0.23%	0.12%	0.08%	0.17%	0.37%	0.20%	0.11%	0.07%	0.11%
Year	2014					2015				
days past due	31-60	61-90	91-120	121-150	151-180	31-60	61-90	91-120	121-150	151-180
January	0.38%	0.20%	0.10%	0.07%	0.12%	0.44%	0.18%	0.12%	0.07%	0.10%
February	0.37%	0.22%	0.11%	0.08%	0.10%					
March	0.40%	0.18%	0.11%	0.06%	0.12%					
April	0.40%	0.21%	0.10%	0.06%	0.10%					
May	0.43%	0.19%	0.12%	0.06%	0.10%					
June	0.38%	0.21%	0.10%	0.07%	0.11%					
July	0.37%	0.18%	0.11%	0.06%	0.11%					

August	0.38%	0.19%	0.09%	0.06%	0.10%					
September	0.37%	0.19%	0.10%	0.05%	0.08%					
October	0.38%	0.18%	0.10%	0.07%	0.08%					
November	0.47%	0.20%	0.11%	0.07%	0.12%					
December	0.41%	0.23%	0.11%	0.07%	0.11%					

6. Delinquencies 31-60 Days, 61-90 Days, 91-120 Days, 121-150 Days and 151-180 Days Past Due in % Total Online originated Portfolio

At a given month, the delinquency rate is calculated as the ratio of: (i) the outstanding principal balance of all delinquent loans in the respective overdue bucket, to (ii) the outstanding principal balance of all loans (defaulted loans excluded) at the end of the same month.

Delinquencies 31-60, 61-90, 91-120, 121-150, 151-180 Days Past Due in % Total Online originated Portfolio

as of 31.01.2015

Year	2008					2009				
days past due	31-60	61-90	91-120	121-150	151-180	31-60	61-90	91-120	121-150	151-180
January	0.46%	0.19%	0.15%	0.15%	0.16%	0.34%	0.29%	0.22%	0.08%	0.10%
February	0.61%	0.12%	0.06%	0.08%	0.15%	0.57%	0.23%	0.19%	0.08%	0.09%
March	0.51%	0.39%	0.09%	0.01%	0.20%	0.43%	0.26%	0.05%	0.03%	0.09%
April	0.64%	0.29%	0.20%	0.01%	0.18%	0.57%	0.25%	0.20%	0.05%	0.06%
May	0.57%	0.32%	0.14%	0.02%	0.21%	0.56%	0.37%	0.15%	0.14%	0.08%
June	0.87%	0.21%	0.22%	0.05%	0.18%	0.47%	0.24%	0.21%	0.07%	0.08%
July	0.55%	0.27%	0.09%	0.11%	0.21%	0.67%	0.15%	0.04%	0.07%	0.03%
August	0.56%	0.17%	0.26%	0.04%	0.10%	0.43%	0.43%	0.07%	0.01%	0.08%
September	0.85%	0.25%	0.14%	0.13%	0.06%	0.79%	0.17%	0.23%	0.09%	0.11%
October	0.62%	0.27%	0.12%	0.04%	0.20%	0.66%	0.32%	0.17%	0.14%	0.15%
November	0.46%	0.29%	0.26%	0.09%	0.18%	0.54%	0.32%	0.21%	0.12%	0.21%
December	0.35%	0.30%	0.09%	0.13%	0.16%	0.65%	0.28%	0.18%	0.11%	0.09%
Year	2010					2011				

days past due	31-60	61-90	91-120	121-150	151-180	31-60	61-90	91-120	121-150	151-180
January	0.51%	0.44%	0.09%	0.20%	0.15%	0.42%	0.20%	0.16%	0.05%	0.15%
February	0.44%	0.23%	0.23%	0.14%	0.24%	0.50%	0.31%	0.12%	0.09%	0.11%
March	0.56%	0.19%	0.07%	0.07%	0.27%	0.38%	0.31%	0.24%	0.11%	0.20%
April	0.47%	0.27%	0.08%	0.03%	0.23%	0.52%	0.23%	0.24%	0.10%	0.23%
May	0.49%	0.18%	0.22%	0.03%	0.26%	0.37%	0.36%	0.23%	0.05%	0.20%
June	0.79%	0.16%	0.11%	0.20%	0.23%	0.48%	0.32%	0.31%	0.08%	0.12%
July	0.73%	0.17%	0.17%	0.09%	0.12%	0.41%	0.30%	0.17%	0.19%	0.20%
August	0.55%	0.27%	0.08%	0.09%	0.18%	0.32%	0.22%	0.08%	0.17%	0.19%
September	0.53%	0.17%	0.15%	0.14%	0.12%	0.48%	0.16%	0.15%	0.03%	0.21%
October	0.50%	0.16%	0.10%	0.09%	0.06%	0.29%	0.20%	0.11%	0.10%	0.13%
November	0.53%	0.12%	0.08%	0.10%	0.12%	0.38%	0.19%	0.04%	0.08%	0.16%
December	0.37%	0.29%	0.05%	0.07%	0.12%	0.47%	0.16%	0.11%	0.03%	0.16%
Year	2012					2013				
days past due	31-60	61-90	91-120	121-150	151-180	31-60	61-90	91-120	121-150	151-180
January	0.42%	0.26%	0.08%	0.08%	0.16%	0.29%	0.08%	0.08%	0.02%	0.09%
February	0.46%	0.16%	0.16%	0.08%	0.09%	0.21%	0.09%	0.08%	0.09%	0.04%
March	0.26%	0.25%	0.15%	0.15%	0.10%	0.28%	0.06%	0.04%	0.02%	0.07%
April	0.39%	0.13%	0.08%	0.05%	0.13%	0.35%	0.14%	0.04%	0.04%	0.07%
May	0.26%	0.19%	0.12%	0.02%	0.15%	0.23%	0.20%	0.11%	0.06%	0.04%
June	0.27%	0.20%	0.07%	0.05%	0.09%	0.24%	0.11%	0.04%	0.05%	0.18%
July	0.45%	0.13%	0.09%	0.06%	0.11%	0.22%	0.08%	0.05%	0.05%	0.10%
August	0.26%	0.28%	0.18%	0.05%	0.03%	0.33%	0.07%	0.04%	0.01%	0.07%
September	0.27%	0.13%	0.14%	0.14%	0.14%	0.27%	0.19%	0.06%	0.00%	0.01%
October	0.45%	0.17%	0.07%	0.03%	0.16%	0.34%	0.06%	0.07%	0.05%	0.06%
November	0.27%	0.13%	0.08%	0.02%	0.19%	0.22%	0.18%	0.09%	0.05%	0.08%
December	0.37%	0.09%	0.04%	0.04%	0.13%	0.26%	0.14%	0.07%	0.05%	0.04%
Year	2014					2015				

days past due	31-60	61-90	91-120	121-150	151-180	31-60	61-90	91-120	121-150	151-180
January	0.28%	0.07%	0.10%	0.03%	0.08%	0.25%	0.22%	0.07%	0.04%	0.01%
February	0.25%	0.11%	0.07%	0.03%	0.11%					
March	0.21%	0.08%	0.05%	0.06%	0.06%					
April	0.27%	0.11%	0.04%	0.01%	0.07%					
May	0.39%	0.18%	0.07%	0.04%	0.04%					
June	0.40%	0.23%	0.03%	0.04%	0.06%					
July	0.42%	0.14%	0.03%	0.03%	0.04%					
August	0.31%	0.13%	0.03%	0.04%	0.03%					
September	0.21%	0.18%	0.04%	0.01%	0.07%					
October	0.39%	0.09%	0.08%	0.02%	0.05%					
November	0.32%	0.12%	0.06%	0.04%	0.05%					
December	0.34%	0.10%	0.06%	0.04%	0.04%					

7. Annualised Prepayments Total Dealer originated Portfolio – 6-Months Average

At a given month, the annualised prepayment rate is calculated by multiplying the monthly prepayment rate by 12. The monthly prepayment rate is calculated as the ratio of: (i) the outstanding principal balance of all loans prepaid during the month, to (ii) the outstanding principal balance of all loans (defaulted loans excluded) at the end of the previous month.

Annualised Prepayments Total Dealer originated Portfolio - 6-Months Average

as of 31.01.2015

Prepayments in % of Total Outstanding Loan Balance	2008	2009	2010	2011	2012	2013	2014	2015
January	10.4%	8.9%	7.9%	9.0%	9.2%	8.5%	8.7%	9.3%
February	10.4%	8.7%	7.9%	9.2%	8.9%	8.4%	8.8%	
March	10.3%	8.6%	8.2%	9.4%	9.0%	8.6%	9.0%	
April	10.4%	8.3%	8.4%	9.5%	8.3%	8.8%	9.0%	
May	10.3%	8.0%	8.6%	9.7%	9.0%	8.7%	9.0%	
June	10.6%	7.9%	8.8%	9.7%	9.0%	9.1%	9.2%	
July	10.6%	8.1%	9.0%	9.8%	9.2%	9.2%	9.5%	
August	10.2%	8.2%	9.2%	9.7%	9.4%	9.2%	9.5%	
September	10.1%	8.1%	9.0%	9.6%	8.9%	9.2%	9.3%	
October	9.8%	8.1%	9.0%	9.4%	9.7%	9.0%	9.5%	
November	9.6%	8.2%	9.0%	9.3%	9.0%	9.0%	9.4%	
December	9.3%	8.2%	9.0%	9.2%	8.6%	8.7%	9.5%	

8. Annualised Prepayments Total Online originated Portfolio – 6-Months Average

At a given month, the annualised prepayment rate is calculated by multiplying the monthly prepayment rate by 12. The monthly prepayment rate is calculated as the ratio of: (i) the outstanding principal balance of all loans prepaid during the month, to (ii) the outstanding principal balance of all loans (defaulted loans excluded) at the end of the previous month.

Annualised Prepayments Total Online originated Portfolio - 6-Months Average

as of 31.01.2015

Prepayments in % of Total Outstanding Loan Balance	2008	2009	2010	2011	2012	2013	2014	2015
January	9.1%	8.2%	7.0%	8.3%	8.6%	7.6%	7.7%	8.6%
February	9.3%	8.0%	6.7%	8.0%	8.2%	7.8%	7.6%	
March	9.4%	8.0%	6.8%	8.0%	8.2%	8.1%	7.6%	
April	8.8%	7.5%	7.1%	9.4%	7.6%	8.1%	7.2%	
May	9.1%	7.8%	7.5%	10.0%	8.6%	8.6%	7.0%	
June	9.2%	7.4%	9.0%	10.4%	9.2%	9.0%	7.3%	
July	9.1%	7.2%	10.7%	10.4%	8.9%	9.0%	8.0%	
August	8.6%	7.3%	11.3%	10.5%	9.3%	8.4%	8.6%	
September	8.1%	7.4%	11.3%	10.6%	8.9%	8.4%	8.7%	
October	8.2%	7.8%	10.7%	9.5%	9.5%	8.5%	9.1%	
November	8.1%	7.5%	10.1%	9.0%	8.5%	8.2%	9.4%	
December	8.3%	7.3%	9.4%	8.2%	7.8%	7.9%	8.9%	

ASSUMED AMORTISATION OF THE PURCHASED RECEIVABLES AND OF THE NOTES

Assumed Amortisation of the Loan Receivables until clean-up call option can be exercised

This Amortisation scenario is based on the assumption (i) that a replenishment takes place over 36 months, (ii) that no losses or delinquencies occur, (iii) that 9 % annualised prepayments occur and (iv) that the clean-up call option is exercised. It should be noted that the actual amortisation of the Notes may differ substantially from the amortisation scenario indicated below.

Payment Date falling in	Amortisation Profile of Loan Receivables (EUR)	Scheduled Amortisation (EUR)
May-15	700,000,000	
Jun-15	700,000,000	-
Jul-15	700,000,000	-
Aug-15	700,000,000	-
Sep-15	700,000,000	-
Oct-15	700,000,000	-
Nov-15	700,000,000	-
Dec-15	700,000,000	-
Jan-16	700,000,000	-
Feb-16	700,000,000	-
Mar-16	700,000,000	-
Apr-16	700,000,000	-
May-16	700,000,000	-
Jun-16	700,000,000	-
Jul-16	700,000,000	-
Aug-16	700,000,000	-
Sep-16	700,000,000	-
Oct-16	700,000,000	-
Nov-16	700,000,000	-
Dec-16	700,000,000	-
Jan-17	700,000,000	-
Feb-17	700,000,000	-
Mar-17	700,000,000	-
Apr-17	700,000,000	-
May-17	700,000,000	-
Jun-17	700,000,000	-
Jul-17	700,000,000	-
Aug-17	700,000,000	-
Sep-17	700,000,000	-
Oct-17	700,000,000	-

Payment Date falling in	Amortisation Profile of Loan Receivables (EUR)	Scheduled Amortisation (EUR)
Nov-17	700,000,000	-
Dec-17	700,000,000	-
Jan-18	700,000,000	-
Feb-18	700,000,000	-
Mar-18	700,000,000	-
Apr-18	700,000,000	-
May-18	670,968,582	29,031,418
Jun-18	643,014,700	27,953,882
Jul-18	615,873,546	27,141,154
Aug-18	589,077,687	26,795,859
Sep-18	563,141,799	25,935,888
Oct-18	537,736,630	25,405,169
Nov-18	512,421,011	25,315,619
Dec-18	487,895,387	24,525,624
Jan-19	463,746,495	24,148,892
Feb-19	441,239,287	22,507,208
Mar-19	419,352,454	21,886,832
Apr-19	398,907,163	20,445,291
May-19	378,631,362	20,275,801
Jun-19	359,490,858	19,140,504
Jul-19	340,832,445	18,658,413
Aug-19	322,742,836	18,089,609
Sep-19	305,381,216	17,361,621
Oct-19	288,675,479	16,705,737
Nov-19	272,087,352	16,588,127
Dec-19	256,459,866	15,627,486
Jan-20	241,041,975	15,417,891
Feb-20	226,679,840	14,362,134
Mar-20	212,668,272	14,011,568
Apr-20	200,633,283	12,034,989
May-20	189,095,256	11,538,028
Jun-20	178,027,467	11,067,789
Jul-20	167,400,452	10,627,014
Aug-20	157,250,801	10,149,652
Sep-20	147,547,373	9,703,428
Oct-20	138,288,512	9,258,861
Nov-20	129,456,435	8,832,077
Dec-20	121,080,031	8,376,404

Payment Date falling in	Amortisation Profile of Loan Receivables (EUR)	Scheduled Amortisation (EUR)
Jan-21	113,134,956	7,945,075
Feb-21	105,637,150	7,497,806
Mar-21	98,520,630	7,116,520
Apr-21	91,786,684	6,733,946
May-21	85,382,843	6,403,841
Jun-21	79,311,324	6,071,519
Jul-21	73,546,560	5,764,765
Aug-21	68,077,735	5,468,825
Sep-21	-	68,077,735

Assumptions

- (a) The Purchased Receivables are subject to a constant rate of prepayment of 9%
- (b) No Purchased Receivables are sold by the Issuer except as contemplated in the Credit and Collection Policy
- (c) The Notes are issued on 23 April 2015
- (d) No Purchased Receivables become delinquent
- (e) The cumulative gross loss is assumed to be 0%

Assumed Amortisation of the Notes if clean-up call option is exercised

This Amortisation scenario is based on the assumption (i) that a replenishment takes place over 36 months, (ii) that no losses or delinquencies occur, (iii) that 9% prepayments occur and (iv) that the clean-up call option is exercised. It should be noted that the actual amortisation of the Notes may differ substantially from the amortisation scenario indicated below.

Payment Date falling in	Principal Amount Outstanding Class A	Principal Amount Outstanding Class B	Amortisation Class A Notes (EUR)	Amortisation Class B Notes (EUR)
May-15	633,500,000	66,500,000		
Jun-15	633,500,000	66,500,000	-	-
Jul-15	633,500,000	66,500,000	-	-
Aug-15	633,500,000	66,500,000	-	-
Sep-15	633,500,000	66,500,000	-	-
Oct-15	633,500,000	66,500,000	-	-
Nov-15	633,500,000	66,500,000	-	-
Dec-15	633,500,000	66,500,000	-	-
Jan-16	633,500,000	66,500,000	-	-
Feb-16	633,500,000	66,500,000	-	-
Mar-16	633,500,000	66,500,000	-	-
Apr-16	633,500,000	66,500,000	-	-
May-16	633,500,000	66,500,000	-	-
Jun-16	633,500,000	66,500,000	-	-
Jul-16	633,500,000	66,500,000	-	-
Aug-16	633,500,000	66,500,000	-	-
Sep-16	633,500,000	66,500,000	-	-
Oct-16	633,500,000	66,500,000	-	-
Nov-16	633,500,000	66,500,000	-	-
Dec-16	633,500,000	66,500,000	-	-
Jan-17	633,500,000	66,500,000	-	-
Feb-17	633,500,000	66,500,000	-	-
Mar-17	633,500,000	66,500,000	-	-
Apr-17	633,500,000	66,500,000	-	-
May-17	633,500,000	66,500,000	-	-
Jun-17	633,500,000	66,500,000	-	-
Jul-17	633,500,000	66,500,000	-	-
Aug-17	633,500,000	66,500,000	-	-
Sep-17	633,500,000	66,500,000	-	-
Oct-17	633,500,000	66,500,000	-	-
Nov-17	633,500,000	66,500,000	-	-
Dec-17	633,500,000	66,500,000	-	-

Payment Date falling in	Principal Amount Outstanding Class A	Principal Amount Outstanding Class B	Amortisation Class A Notes (EUR)	Amortisation Class B Notes (EUR)
Jan-18	633,500,000	66,500,000	-	-
Feb-18	633,500,000	66,500,000	-	-
Mar-18	633,500,000	66,500,000	-	-
Apr-18	633,500,000	66,500,000	-	-
May-18	604,468,582	66,500,000	29,031,418	-
Jun-18	576,514,700	66,500,000	27,953,882	-
Jul-18	549,373,546	66,500,000	27,141,154	-
Aug-18	522,577,687	66,500,000	26,795,859	-
Sep-18	496,641,799	66,500,000	25,935,888	-
Oct-18	471,236,630	66,500,000	25,405,169	-
Nov-18	445,921,011	66,500,000	25,315,619	-
Dec-18	421,395,387	66,500,000	24,525,624	-
Jan-19	397,246,495	66,500,000	24,148,892	-
Feb-19	374,739,287	66,500,000	22,507,208	-
Mar-19	352,852,454	66,500,000	21,886,832	-
Apr-19	332,407,163	66,500,000	20,445,291	-
May-19	312,131,362	66,500,000	20,275,801	-
Jun-19	292,990,858	66,500,000	19,140,504	-
Jul-19	274,332,445	66,500,000	18,658,413	-
Aug-19	256,242,836	66,500,000	18,089,609	-
Sep-19	238,881,216	66,500,000	17,361,621	-
Oct-19	222,175,479	66,500,000	16,705,737	-
Nov-19	205,587,352	66,500,000	16,588,127	-
Dec-19	189,959,866	66,500,000	15,627,486	-
Jan-20	174,541,975	66,500,000	15,417,891	-
Feb-20	160,179,840	66,500,000	14,362,134	-
Mar-20	146,168,272	66,500,000	14,011,568	-
Apr-20	134,133,283	66,500,000	12,034,989	-
May-20	122,595,256	66,500,000	11,538,028	-
Jun-20	111,527,467	66,500,000	11,067,789	-
Jul-20	100,900,452	66,500,000	10,627,014	-
Aug-20	90,750,801	66,500,000	10,149,652	-
Sep-20	81,047,373	66,500,000	9,703,428	-
Oct-20	71,788,512	66,500,000	9,258,861	-
Nov-20	62,956,435	66,500,000	8,832,077	-
Dec-20	54,580,031	66,500,000	8,376,404	-
Jan-21	46,634,956	66,500,000	7,945,075	-
Feb-21	39,137,150	66,500,000	7,497,806	-

Payment Date falling in	Principal Amount Outstanding Class A	Principal Amount Outstanding Class B	Amortisation Class A Notes (EUR)	Amortisation Class B Notes (EUR)
Mar-21	32,020,630	66,500,000	7,116,520	-
Apr-21	25,286,684	66,500,000	6,733,946	-
May-21	18,882,843	66,500,000	6,403,841	-
Jun-21	12,811,324	66,500,000	6,071,519	-
Jul-21	7,046,560	66,500,000	5,764,765	-
Aug-21	1,577,735	66,500,000	5,468,825	-
Sep-21	-	-	1,577,735	66,500,000

Assumptions

- (a) The Purchased Receivables are subject to a constant rate of prepayment of 9%
- (b) No Purchased Receivables are sold by the Issuer except as contemplated in the Credit and Collection Policy
- (c) The Notes are issued on 23 April 2015
- (d) No Purchased Receivables become delinquent
- (e) The clean-up call option is exercised in accordance with the RPA and Condition 7.5 (*Early Redemption*) of the Terms and Conditions of the Notes
- (f) The cumulative gross loss is assumed to be 0%

CREDIT AND COLLECTION POLICY

The following is a description of the credit and collection principles (such description, the "**Credit and Collection Policy**") which must be complied with in respect of origination and servicing of the Purchased Receivables. The Credit and Collection Policy is set out in Appendix D to the Terms and Conditions of the Notes and forms an integral part of the Terms and Conditions of the Notes.

I. Credit Policies

The decision on granting a loan is based on the applicant's credit worthiness. Due to the business process this decision is made in two steps: a) based on the information received from the car dealer via the Point-of-Sale-Systems or the customer via an online platform that are b) verified before booking when the mandatory documents (balance sheet, income statement, salary slips, car registration documents, etc.) are on hand. If the applicant misses the credit policies in one of these two steps, the application is generally rejected.

In both process steps the applicant's credit worthiness is assessed by primarily five components that are embedded in the automatic decision system: (i) scoring module, (ii) credit bureau information, (iii) payback capability check, (iv) vehicle assessment and (v) other credit and competence guidelines.

Beside private customers, SCB distinguishes between commercial customers of two types. On the one hand, there are self-employed persons ("Self-Employed") and, on the other hand, there are companies or institutions which are either juristic persons or associations of individual persons ("Companies"). The credit policies and loan granting processes differ between the two types of commercial customers in some aspects which are described in the following in detail. Generally, SCB's credit process for commercial customers is a manual process with automated support. The automated system assesses applications, but the final approval is always conducted by credit analysts. In the case of self-employed applicants the automated system assesses most of the relevant data and behaves much like the standard process for employed individuals with the only exception of the final manual approval. For companies additional assessments are made by the credit analysts, e.g. to assess balance sheet data or other information typically not existing for natural persons. Due to the competence order it is ensured, that only senior analysts can grant a loan to a company. Employed individuals ("Individuals") are the third type of customers. For those, the process of credit assessment is highly automated.

(i) Scoring module

For the purpose of evaluating a customer's credit standing, Santander Consumer Bank uses a scoring module. The segmentation of the scorecards as well as their development is subject to statistical methods and is based on historical application and performance data of the Santander Consumer Bank.

Depending on the respective information which applies to each variable the applicant receives a certain amount of points per variable. All results are added and the sum gives Santander Consumer Bank an assessment as to the risk of granting a loan to the respective applicant.

This scoring process is treated strictly confidential both internally and externally. No information regarding the weighting or values of single criteria is communicated externally to car dealers or customers or internally to employees of the dealer distribution centres or sales staff.

The scoring models in use for individual and self-employed applicants use internal and external information, the scoring for companies relied on external information only until April 2015 in which Santander Consumer Bank introduced a new scoring module for companies which uses internal and external data.

(ii) Credit bureau information

SCHUFA Holding AG (Schutzgemeinschaft für allgemeine Kreditsicherung) is a database for creditor information used when assessing the credit history of individual customers. SCHUFA provides Santander Consumer Bank with information concerning, inter alia, existing loan and leasing agreements, existence of bank accounts, previous defaults with respect to financial obligations, existence of insolvency proceedings, declarations of insolvency. SCHUFA provides the necessary information electronically. For individual and self-employed applicants the SCHUFA bureau information is used.

Companies are assessed by credit bureau information from the “Verein Creditreform”. It contains information about the business age, size and sector, payment experience of business partners and information about the acting people (owner and management). The bureau information also contains data about previous insolvencies of the owner(s) or manager(s) and a score which predicts the probability of a one-year insolvency.

(iii) Payback Capability Check

The payback capability check is based on information received by way of self-disclosure (*Selbstauskunft*) of the respective customer, his proof of income and information regarding running contracts coming from the SCHUFA. These components are used for estimating the current expenditure structure as well as monthly rates of already existing loans or leasing contracts.

For self-employed customers, the payback capability check is done in exactly the same way as for employed individuals. For companies, the assessment of the payback capability is a manual cash flow calculation from the financial statements of the company.

(iv) Vehicle assessment

The so called Schwacke list released by EurotaxSchwacke GmbH, Maintal, Germany, is the main central register used in Germany which specifies the value of used vehicles depending on age, brand, mileage etc. If a loan shall be granted for the purpose of financing the purchase of a used vehicle the residual value of such vehicle will be assessed pursuant to the Schwacke list. In case of a considerable difference between the value determined by the Schwacke list and the price of the used vehicle to be financed as requested by the dealer further investigations are conducted to determine if the difference is justifiable.

(v) Other Credit and Competence Guidelines

Legal requirements and Santander Consumer Bank's internal competence guidelines for employees have to be fulfilled before granting a loan. The necessary competence level for granting a loan is evaluated and checked automatically for the vast majority of cases.

Lending decisions for individual customers applying for a loan are generally made by using computer based systems (exceptions are mentioned below) that evaluate the scoring module and other information as described above. For commercial customers a loan application is automatically assessed by the computer based system, but the final decision is always taken by a credit analyst of the appropriate competency level and – if indicated by the automated assessment – located in the risk department.

The results of the automated assessments will be evaluated according to certain guidelines. Based on such evaluation, credit decisions in the categories “red”/“yellow”, “grey” and “green” are made. If loan applications are given a “green” or “grey” as a result of such computer based evaluation process and – if the customer is of commercial type – the analyst gives a final approval, the loan can be granted subject to the verification of the applicant’s documents (signed loan agreements and other documents requested by Santander Consumer Bank) returned by the customer (online business) or the car dealer (POS business) with respect to completeness, legal effect and conformity with the information received by way of self-disclosure. The decision is transmitted by e-mail to the customer (online business) or either electronically or by facsimile to car dealer (POS business). After

the verification of the received documents the loan will be finally granted or the loan will be refused or further documents or collateral will be requested.

If the result of this evaluation process is a “red” or a “yellow”, the application can only be approved as an override decision by a specialised unit of senior credit analysts within the Risk Management called Risk Underwriting. Risk Underwriting pursuant to the competence guidelines of Santander Consumer Bank will review the lending decision process and make a final decision according to a set of predefined, written rules. In case of a loan commitment the decision is subject to the above described verification of the documents returned by the applicant. When making their decisions, Risk Underwriting is required to record the reason underlying any such decision in each individual case. Once a final and positive decision loan has been reached, the loan amount will be paid out to the respective car dealer.

All credit decision and delegation competences of employees are defined in Santander Consumer Bank’s credit manual.

II. Collection Policy

Once a loan agreement has been entered into, it will be transferred to Santander Consumer Bank’s Customer Service department. This department monitors the performance under the relevant loan agreement. For that purpose it uses highly automated and computerised systems. More than 95 % of the payments are made by direct debit (*Lastschrift*).

If any payments or other proceeds are received by Santander Consumer Bank in respect of any loan receivable (other than a Purchased Receivable) owed by a Debtor (unless the Debtor has indicated with respect to a payment to which receivable such payment should be allocated), such payments or proceeds will be allocated to the receivables outstanding under all loans made by Santander Consumer Bank to such Debtor in accordance with Section 366 (2) of the German Civil Code.

Payment characteristics of vehicle loans

The payment schedules of the vehicle loans offered by Santander Consumer Bank to its customers require, (i) in the case of annuity loans, equal monthly instalments and (ii) in the case of balloon loans, instalments where the final payment amount due is higher than the amount payable by the relevant debtor in its previous loan instalments, comprised, in both cases of an interest and a principal component. The interest component is calculated by application of the interest rate in the applicable contract to the sum of loan amount and administration fee. Over the term of the loan, the composition of the equal instalments change with the interest portion is decreasing and the principal portion is increasing towards the end of the loan term.

Reminders

Subject to rare exceptions, the reminder guidelines of Santander Consumer Bank are the following. If Santander Consumer Bank does not receive a due payment, the debtor will be notified in writing by computer-generated reminder letter of such delay.

In case of continuous delay, the customer receives in total 8 automatic letters (for direct debit payer), starting with three direct debit reminders and ending with the threat of termination as the last automatic dunning letter. In parallel the instalment will be drawn every 14 days. Every 4th and 19th of each month the systems will compile a list of all terminable loan agreements. In principle between 120 and 180 days past due and the debtor still fails to pay, the relevant loan will be terminated, provided that the requirements under the German Civil Code concerning consumer loans have been satisfied.

Collection Activities

With the first day in arrears the customer is transferred to the Collection Business Unit department. The Collection Business Unit in general is the owner of all delinquent customers from day 1 past due. Within this department, in addition to the above mentioned reminder letters, the customer will be tackled by the responsible business line (Call Center, Field Service, Restructuring Department and Collection Center), depending on different criteria (e.g. outstanding amount, days in arrears). The objective of these business lines is to get in touch with the customer and find solutions to enter into payment arrangements. Any arrangements are finally decided within the Collection Business Unit (Restructuring Department or Collection Center) in relation to the rules given by the department Risk Management. If the outstanding amount of the loan is older than 90 dpd (days past due), the Collection Business Unit decides about the refinancing measure in collaboration with Risk Management (first and second vote principle).

Sustainable cure of delinquent customers

At any time during the above mentioned collection procedure the employees of Santander Consumer Bank will use best efforts to achieve a payment arrangement with the debtor in accordance to the Santander Restructuring Policy, i.e. adjustments of the loan terms including deferral or reduction of the instalments or debt restructuring including waiver of principal. The Restructuring Policy is an organizational framework which describes the usage of the different restructuring products (e.g. deferrals, instalment reductions) and includes the competence matrix. A customer's payment schedule therefore may be changed if he asks for the due date of instalments to be altered (e.g. from the 1st to the 15th day of each month), if he prepays the amount (in which case either his monthly instalments or the term of the loan may be reduced) or if he applies for an extension of the due date of a balloon loan or if the loan is restructured.

The period of a loan may be extended only by a limited number of months and only in accordance to the Restructuring Policy. A loan extension means that an instalment is postponed to a new date outside the original loan schedule, resulting in extra interest being payable. If the debtor is unable to repay, the loan and the loan agreement has not been terminated and no payment arrangement has been entered into with the debtor, Santander Consumer Bank will sell the financed vehicle (with the consent of the debtor) and apply the proceeds from such sale to repay the loan.

Enforcement

Not later than upon termination of a loan agreement due to the debtor's default the liquidation department of Santander Consumer Bank sells the financed vehicle through different car-auction platforms either via online auction or if suitable via physically auction. Access to these auctions is granted to dealers. The starting prices are set through independent motor vehicle experts who check each car after entering the location. Santander Consumer Bank may, however, agree with the debtor to reschedule or restructure the loan. Any payment rescheduling or debt restructuring may only be entered into with a debtor in accordance with the internal rules of Santander Consumer Bank's Restructuring Policy. In particular, payment rescheduling and debt restructuring will only be pursued if Santander Consumer Bank is convinced, in its reasonable judgment, that the aggregate amount of collections on such receivable through such payment rescheduling or debt restructuring will be higher than the aggregate amount it would collect thereon had it not agreed to such payment rescheduling or debt restructuring and if the interests of the issuer are adequately safeguarded at all times.

Following the termination of the relevant loan, Santander Consumer Bank hands over the responsibility for further collection procedures to an external law firm. The following activities include extrajudicial efforts to arrange repayment plans as well as judicial processes to initiate the enforcement of the loan receivable, if economically promising. If the debtor still fails to pay after generally 12 to 24 months have elapsed and the respective receivable has been written-off by Santander Consumer Bank, Santander Consumer Bank might mandate external collection agencies with the collection of the outstanding receivables or enter into a due diligence for, and effect, the sale of receivables on behalf of the Issuer. If the debtor is deceased and the assets of its estate prove insufficient to repay the loan, the receivables under the loan will be waived to extent unpaid after enforcement of all collateral.

THE ISSUER

Establishment and Registered Office

The Issuer was incorporated in Germany on 1 April 2015 and registered with the commercial register of the local court (*Amtsgericht*) in Frankfurt am Main under registration number HRB 101849 as an entrepreneurial company with limited liability (*Unternehmergeellschaft (haftungsbeschränkt)*) under the German Act on Companies with Limited Liability (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*) under the name of SC Germany Vehicles 2015-1 UG (*haftungsbeschränkt*). The Issuer has been incorporated for an indefinite length of life. The Issuer's registered office and principal place of business is located at c/o SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany (telephone no. +49 69 643 50 8900), the location at which the Issuer's register of shareholders is kept. The shareholder of the Issuer is Stichting SC Germany Vehicles 2015-1 which holds one fully paid-in share of EUR 4,500. The articles of association (*Gesellschaftsvertrag*) provide that any disposal of shares in the Issuer requires the prior consent of the Security Trustee and contain certain covenants for the Issuer e.g. not to enter in transactions which are not connected to the securitisation Transaction and not to have employees.

The Issuer has no subsidiaries.

Corporate Purpose and Business of the Issuer

The Issuer has been established as a special purpose vehicle for the purpose of issuing asset-backed securities. The principal objects of the Issuer are more specifically described in clause 2 of its articles of association (*Gesellschaftsvertrag*) and include, *inter alia*, the issuance of the Notes and the entry into all financial arrangements in connection therewith. The articles of association of the Issuer may be inspected at the registered office of the Issuer.

Under its articles of association, the Issuer will not perform any active management of the acquired assets from a profit perspective. Under its articles of association, the Issuer will not engage in business requiring a licence under the German Banking Act (*Gesetz über das Kreditwesen*).

Notwithstanding the foregoing, the powers of the managing directors are not limited thereby and the Issuer has unrestricted corporate capacity as a matter of law.

The Issuer will covenant to observe certain restrictions on its activities which are set out in the Transaction Security Agreement. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT".

Since its incorporation on 1 April 2015, the Issuer has not engaged in any activities other than those incidental to its incorporation under the German Act on Companies with Limited Liability (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*), the authorisation and issuance of the Notes and the authorisation and execution of the Transaction Documents and such other documents referred to or contemplated in this Prospectus to which it is or will be a party and the execution of matters which are incidental or ancillary to the foregoing. So long as any of the Transaction Secured Obligations of the Issuer remain outstanding, the Issuer will not, *inter alia*, (a) enter into any business whatsoever, other than acquiring the Purchased Receivables, issuing Notes or creating other Transaction Secured Obligations or entering into a similar limited recourse transaction, entering into related agreements and transactions and performing any act incidental to or in connection with the foregoing, (b) have any subsidiaries, (c) have any employees or (d) dispose of any Purchased Receivables or any interest therein or create any mortgage, charge or security interest or right of recourse in respect thereof in favour of any person (other than contemplated by this Prospectus).

The Issuer has not commenced operations since the date of its incorporation as of the date of this Prospectus.

Managing Directors

In accordance with clause 8 of the articles of association (*Gesellschaftsvertrag*) of the Issuer, the Issuer is managed by at least two (2) managing directors (*Geschäftsführer*) and no more than three (3) managing directors. The managing directors are appointed by the shareholder's meeting of the Issuer. The Issuer is represented by two managing directors jointly.

The managing directors of the Issuer and their respective business addresses and other principal activities are:

<u>Name</u>	<u>Business Address</u>	<u>Other Principal Activities</u>
Burkhard Leffers	Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany	Managing Director (<i>Geschäftsführer</i>) of SFM Structured Finance Management (Deutschland) GmbH
Claudia Wallace	Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany	Prokurist of SFM Structured Finance Management (Deutschland) GmbH and Director of Structured Finance Management Limited

Management and Principal Activities

The activities of the Issuer will principally be the issue of the Notes, entering into all documents relating to such issue to which the Issuer is expressed to be a party, the acquisition of the Purchased Receivables, the Related Collateral and the exercise of related rights and powers and other activities reasonably incidental thereto.

Capitalisation

The following shows the capitalisation of the Issuer as of 26 March 2015, adjusted for the issue of the Notes:

– *Share Capital*

The registered share capital of the Issuer is EUR 4,500. The founding shareholder of the Issuer is Stichting SC Germany Vehicles 2015-1, which holds one fully paid-in share (*Geschäftsanteil*) of EUR 4,500.

– *Loan Capital*

EUR 700,000,000 Notes due November 2030

EUR 7,000,000 of outstanding advances under the Subordinated Loan

EUR 550,000 of outstanding advances under the Funding Loan

The table below sets out the opening balance sheet of the Issuer as of 26 March 2015.

	<u>Assets</u>	<u>Equity and liabilities</u>
Current Assets	EUR	EUR
Cash in Banks	4,500	
	Subscribed share capital	4,500

EUR 4,500

EUR 4,500

Employees

The Issuer will have no employees.

Property

The Issuer will not own any real property.

Litigation

The Issuer has not been engaged in any governmental, litigation or arbitration proceedings which may have a significant effect on its financial position since its incorporation, nor, as far as the Issuer is aware, are any such governmental, litigation or arbitration proceedings pending or threatened.

Material Adverse Change

Since its incorporation on 1 April 2015, there has been no material adverse change in the financial or trading position or the prospects of the Issuer.

Fiscal Year

The fiscal year of the Issuer is the calendar year and each calendar year ends on 31 December.

Interim Reports

The Issuer does not publish interim reports.

Distribution of Profits

The distribution of profits is governed by clause 15 of the articles of association and Section 29 of the German Act on Companies with Limited Liability (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*) (subject, in particular, to the restrictions pursuant to Section 5a (3) of such Act so long as the registered share capital of the Issuer is lower than EUR 25,000).

Financial Statements

At the beginning of its commercial business and in respect of the end of each fiscal year, the Issuer is obliged to prepare a statement reflecting its assets and its liabilities (opening balance sheet and annual balance sheet). In addition, an analysis of the expenditure and revenues for the end of each fiscal year (profit-and-loss account) is required. The annual balance sheet and the profit-and-loss account, supplemented by the so-called 'appendix', form the annual statement (*Jahresabschluss*) of the Issuer. Furthermore, an annual management report (*Lagebericht*) may be required. The annual statements and, if required, the management report must be prepared in accordance with German GAAP (*Generally Accepted Accounting Principles*) and IFRS (*International Financial Reporting Standards*), respectively. The annual statement must be adopted, as well as the appropriation of profits, by the annual shareholders' meeting. German GAAP consists of, *inter alia*, requirements set out in the German Commercial Code (HGB) and the German Act on Companies with Limited Liability (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*).

Since the incorporation of the Issuer on 1 April 2015, the Issuer has not prepared any financial statements other than the opening balance sheet (which will remain unaudited) and has not declared or paid any dividends as of the date of this Prospectus. The Issuers financial year is the calendar year.

Auditors and Auditor's Reports

The auditors of the Issuer for the business year 2015 are Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft. Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Schwannstrasse 6, 40476 Düsseldorf, Germany is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*) and of the Public Company Accounting Oversight Board. Audits occur according to generally accepted auditing standards in Germany.

No auditors' report in respect of the Issuer has been prepared or distributed. In particular, the opening balance sheet of the Issuer has not been audited.

THE SELLER

Incorporation and Ownership

The Seller, Santander Consumer Bank AG ("**Santander Consumer Bank**"), has its registered office in Moenchengladbach and is registered in the commercial register at the local court (*Amtsgericht*) of Moenchengladbach under number HRB 1747. It is incorporated for an unlimited period of time. The purpose of Santander Consumer Bank is to conduct banking business according to the German Banking Act (*Kreditwesengesetz - KWG*) and to provide financial, advisory and similar services.

The Seller is a credit institution which was founded in 1957 in Moenchengladbach, Germany, under the name of *Curt Briechle KG Absatzfinanzierung* as a sales financing company for cars. Santander Consumer Bank has a full banking license since 30 October 1967. In 1968, the *Curt Briechle KG Absatzfinanzierung* was transformed into a stock corporation (AG) and renamed *Bankhaus Centrale Credit AG*. In 1987, *Bankhaus Centrale Credit AG* was acquired by Banco Santander, S.A. and renamed *CC-Bank AG*. In 1988, 50% of the shares of *CC-Bank AG* were acquired by The Royal Bank of Scotland plc and were repurchased by Banco Santander, S.A. in 1996 which thereby became the sole shareholder of the company.

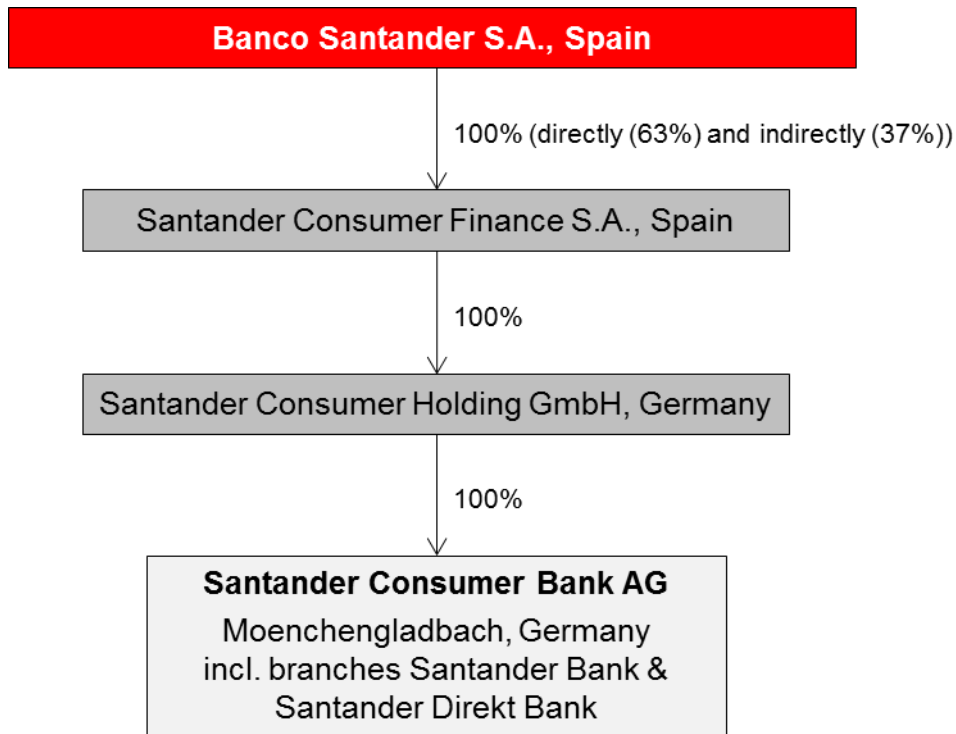
In 2002, CC-Bank AG merged with AKB Privat- und Handelsbank which domiciled in Cologne. In 2003, Santander Direkt Bank AG, a member of the Santander Group, with its seat in Frankfurt am Main, merged with CC-Bank AG. This merger was recorded in the commercial register on 15 September 2003. On 31 August 2006, the change of the name into *Santander Consumer Bank AG* was recorded in the commercial register. Santander Consumer Bank acquired the consumer credit business of The Royal Bank of Scotland plc, RBS (RD Europe) GmbH, on 1 July 2008. The merger was recorded in the commercial register on 30 December 2008. Furthermore, in April 2009 Santander Consumer Bank acquired and merged with GE Money Bank GmbH. The merger was recorded in the commercial register on 1 July 2009.

With effect from 31 January 2011, Santander Consumer Bank acquired the German retail and SME (small and medium-sized enterprises) business of SEB AG ("**SEB**") in Germany. The company has been operating since 1 February 2011 under the name of Santander Bank, a branch of Santander Consumer Bank (hereinafter referred to as Santander Bank). By integrating SEB's retail and SME business, the Seller has strengthened its retail banking business and expanded its product range. Following the acquisition, Santander Consumer Bank has established itself as one of the largest banks in the German retail banking sector with around 6 million clients (as of end of December 2014) in Germany.

Today, the Seller's entire share capital of EUR 30,002,000 is held by Santander Consumer Holding GmbH, a limited liability company, based in Moenchengladbach. At year-end, all profits are transferred to Santander Consumer Holding GmbH, from where they are transferred to the parent company, Santander Consumer Finance S.A. ("**SCF**"), a subsidiary of Banco Santander, S.A.. Possible losses are fully covered by the parent group (Santander Consumer Holding GmbH, SCF and Banco Santander, S.A.), after possible reserves from Santander Consumer Bank have been fully utilized.

Simplified Group Structure

The following diagram provides an overview of the Seller's position within Santander Group (Banco Santander, S.A. and its consolidated subsidiaries) and illustrates the structure and major shareholdings (major shareholdings are those in excess of 50%) of Santander Group as of the date of this Prospectus.



Some of the Santander Group entities may have subsidiaries and/or branches which are not shown in the diagram.

Business Activities

The Seller predominantly provides financial products and services to retail customers in the German retail banking market through its branches as well as via the internet. It is the largest non-captive car financier (i.e. a financier who is not dependent on any specific car manufacturers) in Germany according to Bankenfachverband. In addition, Santander Consumer Bank is a reliable partner for the durable goods financing sector (e.g. furniture, computers and consumer electronics) and provides its consumer finance expertise to almost 31,000 dealers. Santander Consumer Bank conducts its business through three brands: Santander Consumer Bank (consumer loans), Santander Bank (securities business, mortgage backed financing business and business with small and medium-sized enterprises (business banking/SME business)) and Santander Direkt Bank (online banking). The Seller offers its banking services in Germany through its 329 branches (as of end of December 2014).

The activities of the Seller are organised in three business areas: "Car Financing", "Durable Goods Financing" and "Retail Banking Business".

Business Area Car Financing

For Santander Consumer Bank, car financing is a central business area. Car financing consists of the two business units "Motor Vehicles" both for retail customers ("the Retail Loans") as well as corporate customers (the "**Commercial Loans**" and together with the Retail Loans "the **Loans**") regarding new and used cars, motorcycles and caravans and "Stock Financing" (stock financing for dealerships). Commercial Loans comprise car financing services to corporate customers and self-employed customers who utilize the motor vehicle for commercial usage. The Loans are included in the Portfolio.

According to Bankenfachverband, Santander Consumer Bank is the largest independent, non-captive car financier in Germany and the second largest independent car financier overall in Germany, including captives (according to internal calculations by the Seller based on information provided by Bankenfachverband).The

Seller is available as an exclusive financing partner to selected vehicle importers, under their own brand (Infiniti Finance, Kia Finance, Mazda Finance and Volvo Car Financial Services). Santander Consumer Bank is working together with more than 21,000 car dealers. Moreover, Santander Consumer Bank is continuously intensifying its cooperation with the car dealers in order to support sales financing.

Business Area Durable Goods Financing

The Seller is a major provider of consumer goods financing services in Germany. Santander Consumer Bank works closely with over 31,000 trade partners in the durable goods financing business who increasingly use financing of consumer goods as a marketing tool. The main sales drivers are the areas of consumer electronics, computers and furniture. Santander Consumer Bank works exclusively with three of the four biggest furniture retailers in Germany. Furthermore, Santander Consumer Bank offers full-service financing and e-commerce solutions for web shops. A key product is the so-called "ComfortCard Plus", a form of loyalty card which includes a credit line with a predetermined limit and additional insurance services. The durable goods financing is not included in the Portfolio.

Business Area Retail Banking Business

Santander Consumer Bank offers a range of classic retail banking products to private customers, comprising current and savings accounts, consumer credit and loans, deposit and insurance business. With 329 branches in Germany (as of the end of December 2014), Santander Consumer Bank targets loan oriented private clients but also has a focus on the market for deposit business.

Santander Bank offers the whole range of banking products like savings, insurances, mortgages and consumer loans and, in addition, also funds, asset management and structured investment products as well as the mortgage finance business. Santander Bank also offers specific financial services for business customers. The retail banking business is not included in the Portfolio.

Whereas the relatively loan-oriented retail banking business is conducted by Santander Consumer Bank, Santander Bank focuses on the business with investment-oriented customers, who require more in-depth advice, and the mortgage finance business.

Origination

Santander Consumer Bank originates its "Motor Vehicles" business through car dealers acting as intermediaries and through its internet website. It is generated through approximately 21,000 car dealers located in Germany (equivalent to approx. 50 % of all German car dealers) which cooperate with Santander Consumer Bank.

General Characteristics of Loans

Loans Amount

The amount of the Loans is generally smaller than the purchase price of other financed vehicle since roughly 66 % of the customers make a down-payment, which on average amounts to 30 % of the purchase price. The entire amount of the Loans is paid out in Euro at the beginning of the term of the Loans as applicable.

Installments

Loans offered by Santander Consumer Bank are, in general, offered for a maximum period of 120 months. In general, the term of loans varies from 12 to 96 months. Loans are repayable in equal monthly instalments due at the first or fifteenth of the calendar month, in the vast majority of cases per direct debit (*Lastschriftzug*). Only Loans with a minimum remaining term of 1 month will be included in the Portfolio.

Interest Rates

The interest rates for the Loans are fixed for the lifetime of the Loans. Santander Consumer Bank determines the interest rates on the basis of general agreement with the car dealers. However, the car dealers have the possibility to offer a higher interest rate to retail customers. The difference between the interest rate offered by Santander Consumer Bank and the interest rate offered by the car dealer is either in favour or at the expense of the respective car dealer.

Insurance

Santander Consumer Bank offers to its customers an Installment Protection Insurance (*Ratenschutzversicherung*) with the car loan as a package deal on a non-compulsory basis. A Payment Protection Insurance will cover the still outstanding loan payments in the case of the death of the debtor or in case of a temporary disability or unemployment of the Debtor. In addition, Santander Consumer Bank offers a Gap Insurance (*GAP-Versicherung*) which covers under certain conditions the difference between purchase price and current value of the motor vehicle. Furthermore, Santander Consumer Bank offers a Repair Cost Insurance (*Reparaturkostenversicherung*) which covers repair costs for the repair of certain important component of the Financed Vehicle such as engine, gear and steering.

Systems

99 % of the car dealers cooperating with Santander Consumer Bank use an online electronic calculation system which is capable of interfacing with the loan decision system of Santander Consumer Bank, the remaining 1 % transmit the relevant data per fax. The car dealers enter the relevant personal data of their customers (including age, actual salary, number of children, nationality and employer) and their requests (including vehicle model, loan term, amount of monthly payments) into its dealer calculation system which submits them electronically to the system of Santander Consumer Bank. Alternatively, the car dealer can transmit the relevant information to Santander Consumer Bank by telefax and employees of Santander Consumer Bank will feed the data in the system. Santander Consumer Bank's system will review the calculations on the basis of the Santander Consumer Bank's lending criteria. If Santander Consumer Bank's system comes to the result that Santander Consumer Bank's lending criteria are not met the request will be subject to a (final) manual credit check. The final result as to whether or not a loan will be granted is transmitted to the car dealers by fax. It enables the car dealers to provide their customers with binding offers of Santander Consumer Bank within a short period of time from the loan application.

Prepayments

Under Santander Consumer Bank's loan contracts, prepayments are generally permissible by consent of Santander Consumer Bank or in accordance with the applicable section 489 paragraph 1 No. 2 of the German Civil Code (§ 489 Abs. 1 Nr. 2 BGB).

Collateral

The Loans are generally secured by the transfer of title of the financed vehicle to Santander Consumer Bank by way of security and by the security assignment of wage claims of the customer to Santander Consumer Bank.

THE CASH ADMINISTRATOR, THE CALCULATION AGENT AND THE PRINCIPAL PAYING AGENT

The Bank of New York Mellon, London Branch (formerly The Bank of New York) acts as the Cash Administrator, the Calculation Agent and the Principal Paying Agent.

The Bank of New York Mellon, a wholly owned subsidiary of The Bank of New York Mellon Corporation, is incorporated, with limited liability by Charter, under the Laws of the State of New York by special act of the New York State Legislature, Chapter 616 of the Laws of 1871, with its Head Office situate at One Wall Street, New York, NY 10286, USA and having a branch registered in England & Wales with FC No 005522 and BR No 000818 with its principal office in the United Kingdom situated at One Canada Square, London E14 5AL.

The Bank of New York Mellon's corporate trust business services \$12 trillion in outstanding debt from 55 locations around the world. It services all major debt categories, including corporate and municipal debt, mortgage-backed and asset-backed securities, collateralized debt obligations, derivative securities and international debt offerings. The Bank of New York Mellon's corporate trust and agency services are delivered through The Bank of New York Mellon and The Bank of New York Mellon Trust Company, N.A.

The Bank of New York Mellon Corporation is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. The company is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. It has more than \$26 trillion in assets under custody and administration and more than \$1.4 trillion in assets under management. Additional information is available at bnymellon.com. The foregoing information regarding the Cash Administrator, the Calculation Agent and the Principal Paying Agent under the heading "THE CASH ADMINISTRATOR, THE CALCULATION AGENT AND THE PRINCIPAL PAYING AGENT" has been provided by The Bank of New York Mellon, London Branch and the Issuer has accurately reproduced such information but assumes no further responsibility therefor.

THE CORPORATE ADMINISTRATOR

Pursuant to the Corporate Administration Agreement, SFM Structured Finance Management (Deutschland) GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany will act as corporate administrator in respect of the Issuer.

The foregoing information regarding the Corporate Administrator under the heading "THE CORPORATE ADMINISTRATOR" has been provided by SFM Structured Finance Management (Deutschland) GmbH and Issuer has accurately reproduced such information but assumes no further responsibility therefor.

THE TRANSACTION SECURITY TRUSTEE

Pursuant to the Transaction Security Agreement, the Transaction Security Trustee has agreed to serve in a fiduciary capacity to protect the interests of the Noteholders. In Clause 4.2 of the Transaction Security Agreement, the Issuer will grant to the Transaction Security Trustee the Transaction Security Trustee Claim, a separate claim against the Issuer, allowing it to demand that the Issuer fulfils all obligations under the Transaction Documents (other than the Funding Loan Agreement). To secure such Transaction Security Trustee Claim as well as the Transaction Secured Obligations, the Issuer has agreed to assign, transfer or pledge the Collateral to the Transaction Security Trustee under the Transaction Security Agreement. The Transaction Security Trustee will hold the Note Collateral for the benefit of the Beneficiaries, including the Noteholders. Pursuant to the Transaction Security Agreement, the Transaction Security Trustee has the right and duty, to the extent necessary, to hold, administer or realise the Note Collateral for the benefit of the Beneficiaries.

However, until revocation by the Transaction Security Trustee and *provided that* the Issuer fulfils its obligations under the Notes, the management of the Purchased Receivables and the Related Collateral remains vested in the Servicer. The Transaction Security Trustee is not obligated to monitor the fulfilment of the duties of the Issuer under the Notes, the Terms and Conditions or any other contracts to which the Issuer is a party. Subject to Clause 4.2 of the Transaction Security Agreement, the Noteholders are entitled to demand from the Transaction Security Trustee the fulfilment of its duties as specified under the Terms and Conditions. Notwithstanding the provisions of the Transaction Security Agreement, all rights of the Noteholders shall remain at all times and under all circumstances vested in the Noteholders. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT".

SFM Trustees Limited (registered number 7359549) is a private limited company incorporated under the laws of England and Wales, having its office at 35 Great St. Helen's, London EC3A 6AP, United Kingdom. SFM Trustees Limited will be appointed to provide trustee services to the Issuer pursuant to the Transaction Security Agreement. SFM Trustees Limited acting through its directors will provide the trustee services to the Noteholders pursuant to the Transaction Security Agreement.

SFM Trustees Limited has served and is currently serving as trustee for numerous securitisation transactions and programmes.

The foregoing information regarding the Transactions Security Trustee under the heading "THE TRANSACTION SECURITY TRUSTEE" has been provided by SFM Trustees Limited, 35 Great St. Helen's, London EC3A 6AP, United Kingdom and the Issuer assumes no responsibility therefor.

THE DATA TRUSTEE

The Data Trustee is SFM Trustees GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Germany, Tel. +49 69 643 50 8900. The foregoing information regarding the Data Trustee under the heading "THE DATA TRUSTEE" has been provided by SFM Trustees GmbH, Grüneburgweg 58-62, 60322 Frankfurt am Main, Tel. +49 69 643 50 8900 and the Issuer assumes no responsibility therefor.

THE LUXEMBOURG LISTING AGENT AND LUXEMBOURG INTERMEDIARY

The Luxembourg Listing Agent and Luxembourg Intermediary is The Bank of New York Mellon (Luxembourg) S.A.

The Bank of New York Mellon (Luxembourg) S.A. was incorporated in the Grand Duchy of Luxembourg as a société anonyme on 15 December 1998 under the Luxembourg Law of 10th August 1915 on commercial companies, as amended, and has its registered office at 2-4 rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg. It is an indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation.

On 20 January 1999 the The Bank of New York Mellon (Luxembourg) S.A. received its banking licence in accordance with the Luxembourg Law of 5 April 1993 on the financial sector, as amended, and has engaged in banking activities since then. On 19 October 2006 the The Bank of New York Mellon (Luxembourg) S.A. has enhanced its banking licence to cover as well the activities of administrative agent of the financial sector.

The Bank of New York Mellon (Luxembourg) S.A. is supervised by the Luxembourg financial regulator, the *Commission de Surveillance du Secteur Financier*. The foregoing information regarding the Luxembourg Listing Agent and Luxembourg Intermediary under the heading "THE LUXEMBOURG LISTING AGENT AND LUXEMBOURG INTERMEDIARY" has been provided by The Bank of New York Mellon (Luxembourg) S.A. and the Issuer assumes no responsibility therefor.

THE ACCOUNTS

The Issuer will maintain the Transaction Account in connection with the Transaction Documents for the receipt of amounts relating to the Purchased Receivables and the Related Collateral (other than any Commingling Reserve Amount) and for the completion of its related payment obligations. The Issuer will maintain the Commingling Reserve Account to which the Seller will transfer the Commingling Reserve Amount following the occurrence of a Commingling Reserve Trigger Event. The Issuer will maintain the Set-Off Reserve Account to which the Seller will transfer the Set-Off Reserve Amount following the occurrence of a Set-Off Reserve Trigger Event. The Issuer will maintain the Purchase Shortfall Account (together with the Transaction Account, the Commingling Reserve Account and the Set-Off Reserve Account the "**Accounts**" and each, an "**Account**") to which the Seller will transfer the Purchase Shortfall Amount following the occurrence of a Purchase Shortfall Event. Each Account will be kept as a current account at the Account Bank, The Bank of New York Mellon, Frankfurt Branch, in accordance with the Accounts Agreement, the Corporate Administration Agreement and the Transaction Security Agreement, or any other person appointed as Account Bank.

The Corporate Administrator will make payments from any Account without having to execute an affidavit or fulfil any formalities other than comply with tax, currency exchange or other regulations of the country where the payment takes place.

All payments to be made by or to the Issuer in connection with the Notes and the other Transaction Documents, as well as the processing of proceeds from the Purchased Receivables and the Related Collateral, are undertaken through the Transaction Account and, if applicable, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account. Neither the balance on the Transaction Account, nor the balance on the Commingling Reserve Account, nor the balance on the Set- Off Reserve Account nor the balance on the Purchase Shortfall Account nor any balance on any other Account may be utilised for any type of investments and all Accounts are solely cash accounts.

Pursuant to the Transaction Security Agreement, all claims of the Issuer in respect of each Account are pledged for security purposes to the Transaction Security Trustee. Under the Transaction Security Agreement, the Transaction Security Trustee has authorised the Issuer to administer each Account to the extent that all obligations of the Issuer are fulfilled in accordance with the Pre-Enforcement Priority of Payments, Condition 7.7 (*Pre Enforcement of Payment*) of the Terms and Conditions of the Notes and the requirements of the Transaction Security Agreement. The Transaction Security Trustee may revoke the authority granted to the Issuer and take any necessary action with respect to any Account if, in the opinion of the Transaction Security Trustee, this is necessary to protect the collateral rights under the Transaction Security Agreement, including funds credited to such Account.

In addition, the Transaction Security Trustee will have the right to receive periodic account statements of each Account and may intervene in such instructions in certain circumstances as provided for in the Transaction Security Agreement. See "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT".

Upon the occurrence of an Issuer Event of Default, each Account will be directly administered solely by the Transaction Security Trustee.

Accounts Agreement

Pursuant to the Accounts Agreement entered into between the Issuer, the Transaction Security Trustee, the Account Bank and the Corporate Administrator in relation to the Transaction Account, each of the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account has been opened with the Account Bank on or prior to the first Purchase Date. The Account Bank will comply with any written direction of the Corporate Administrator to effect a payment by debit from the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account or the Purchase Shortfall Account,

as applicable, if such direction is in writing and complies with the relevant account arrangements between the Issuer and the Account Bank and is permitted under the Accounts Agreement.

Any amounts standing to the credit of the Accounts will bear interest as agreed between the Issuer and the Account Bank from time to time, always in accordance with the applicable provisions (if any) of the relevant account arrangements, such interest to be calculated and credited to the respective Account in accordance with the Account Bank's usual procedure for crediting interest to such accounts. The interest earned on the amounts credited to the Transaction Account and the Purchase Shortfall Account is part of the Available Distribution Amount or the Credit, as applicable. The interest earned on the amounts credited to the Commingling Reserve Account and the interest earned on the amounts credited to the Set- Off Reserve Account is, in each case, neither part of the Available Distribution Amount nor the Credit, as applicable, but will be transferred to an account specified by the Seller on each Payment Date.

Under the Accounts Agreement, the Account Bank waives any first priority pledge or other lien, including its standard contract terms pledge (*AGB-Pfandrecht*), it may have with respect to the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account and the Purchase Shortfall Account, respectively, and further waives any right it has or may acquire to combine, consolidate or merge the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account or the Purchase Shortfall Account, respectively, with each other or any other account of the Issuer, or any other person or set-off any liabilities of the Issuer or any other person to the Account Bank and agrees that it shall not set-off or transfer any sum standing to the credit of or to be credited to the Transaction Account, the Commingling Reserve Account, the Set-Off Reserve Account or the Purchase Shortfall Account, respectively, in or towards satisfaction of any liabilities to the Account Bank of the Issuer, as the case may be, or any other person.

If at any time an Account Bank Downgrade occurs, the Issuer will be required, no later than thirty (30) calendar days after the Account Bank Downgrade, to terminate the account relationship with the Account Bank and to transfer any amounts credited to any Account (including, for the avoidance of doubt, the Reserve Fund), at no cost to the Issuer, to an alternative bank with at least the Account Bank Required Rating.

"Account Bank Required Rating" shall mean, with respect to the Account Bank, that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least A2 (or its replacement) by S&P or, if S&P has not assigned any rating to the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank, the long-term, unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least BBB (or its replacement) by S&P and (ii) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least BBB+ (or its replacement) and the short-term unsecured, unsubordinated and unguaranteed debt obligations of at least F2 (or its replacement) by Fitch.

"Account Bank Downgrade" means that (i) the Account Bank ceases to have the Account Bank Required Rating or (ii) the relevant debt obligations of the Account Bank are no longer rated by any of the Rating Agencies.

TAXATION IN GERMANY

The Issuer does not assume any responsibility for the withholding of taxes at source.

The following is a general discussion of certain German tax consequences of the acquisition, ownership and disposal of Notes. This discussion does not purport to be a comprehensive description of all tax considerations which may be or will become relevant in the context of the acquisition of Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany currently in force and as applied on the date of this Prospectus. These laws might be subject to change, possibly also with retroactive or retrospective effect.

This section should be read in conjunction with "**RISK FACTORS—Taxation in the Federal Republic of Germany**" above.

PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSAL OF NOTES AND THE RECEIPT OF INTEREST THEREON, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS OF GERMANY AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS OR CITIZENS.

Income Taxation

Tax Residents

Payments of interest on the Notes to persons or entities who are tax residents in Germany (i.e., persons or entities whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany) are subject to German personal income tax (*Einkommensteuer*) at the applicable personal income tax rate (plus solidarity surcharge at a rate of 5.5 % thereon) or corporate income tax at a tax rate of 15 % (plus solidarity surcharge at a rate of 5.5 % thereon). Such interest payments may also be subject to trade tax if the Notes form part of the property of a German trade or business. Similarly, if interest claims are disposed of separately (i.e. without the Notes), the proceeds from the disposal are subject to income tax, solidarity surcharge and possibly also trade tax. The same applies to proceeds from the redemption of interest claims if the Note is disposed of separately.

If the Notes are disposed of or redeemed, any capital gains arising from the disposal or redemption will also be subject to (corporate) income tax, solidarity surcharge thereon and, *provided that* the Notes form part of a trade or business, to trade tax. Such capital gains are subject to tax irrespective of any holding period and whether or not the Notes are disposed of (or redeemed) with interest claims.

The taxable interest income and income from a disposal or redemption of interest claims as well as any capital gains from a disposal or redemption of the Notes (*i.e.* the difference between the proceeds from the disposal or redemption after deduction of expenses directly related to the disposal or redemption and the cost of acquisition) will qualify as income from private (i.e. non-business) investments and capital gains ("**Private Investment Income**") if the Notes do not form part of a trade or business. Private Investment Income is generally subject to a flat taxation (*Abgeltungssteuer*) at a rate of 25 % plus solidarity surcharge at a rate of 5.5% thereon (and church tax, if applicable). The tax basis of such income will be the relevant gross income. Expenses related to Private Investment Income such as financing or administration costs actually incurred in relation with the acquisition or ownership of the Notes will not be deductible. Instead, the total amount of any Private Investment Income of the Noteholder will be decreased by a lump sum deduction (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples or registered partners filing jointly). If the Notes form part of a trade or business, taxable interest income and income from a disposal or redemption of interest claims as well as any capital gains from a disposal or redemption of the Notes will qualify as business income. Such business income will either be taxed at the applicable income tax rate of the individual taxpayer or at the uniform 15 % corporate income tax

rate if the Note is held by a corporation, in each case plus solidarity surcharge at a rate of 5.5 % thereon and possibly also trade tax and church tax. The basis of such taxation will generally be the relevant net income. A lump sum deduction will not be available.

Pursuant to a tax decree issued by the German Federal Ministry of Finance dated 9 October 2012 a bad debt-loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden capital contribution, shall not be treated like a disposal. Accordingly, losses suffered upon such bad debt-loss or waiver shall not be tax-deductible. The same rules should be applicable according to the said tax decree, if the Notes expire worthless so that losses may not be tax-deductible at all. A disposal of the Notes will only be recognised according to the view of the tax authorities, if the received proceeds exceed the respective transaction costs.

The tax will be levied by way of withholding at a rate of 25 % (plus solidarity surcharge thereon) if the Notes are held or administrated in a custodial account which the Noteholder maintains with a German branch of a German or non- German bank or financial services institution, a security trading enterprise (*Wertpapierhandelsunternehmen*) or a German security trading bank (*Wertpapierhandelsbank*) (each, a "**Disbursing Agent**", *auszahlende Stelle*). For individual holders of Notes who are subject to church tax an electronic information system for church withholding tax purposes applies in relation to investment income, with the effect that church tax will be collected by the Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the investor will be assessed to church tax. If the Notes are kept in a custodial account which the Noteholder maintains with a Disbursing Agent but have not been kept in such an account since their acquisition and the Disbursing Agent has not been notified of the relevant acquisition data (*Anschaffungsdaten*) by the previous Disbursing Agent or by a statement of a bank or financial services institution within the European Economic Area or certain other countries in accordance with art. 17 para. 2 of the EU Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**") (e.g. Switzerland or Andorra), the Disbursing Agent will generally have to withhold tax at the 25 % rate (plus solidarity surcharge thereon) on a lump-sum basis of 30 % of the proceeds from the disposal, assignment or redemption of the Notes (plus interest accrued on the Notes ("**Accrued Interest**", *Stückzinsen*), if any). If the Notes are not held or administrated in a custodial account with a Disbursing Agent at the time the interest is received or at the time of the relevant disposal or redemption, no tax will be withheld but the Noteholder will have to include its income from the Notes in its tax return and the tax will be collected by way of assessment (for the applicable tax rates see above).

In computing any German tax to be withheld, the Disbursing Agent may generally deduct from the basis of the withholding tax negative investment income realised by the individual Noteholder via the Disbursing Agent (e.g. losses from the sale of other securities with the exception of shares). The Disbursing Agent may also deduct Accrued Interest on the Notes or other securities paid separately upon the acquisition of the respective security via the Disbursing Agent. In addition, subject to certain requirements and restrictions the Disbursing Agent may credit foreign withholding taxes levied on investment income in a given year regarding securities held by the individual Holder in the custodial account with the Disbursing Agent.

In general, no withholding tax will be levied if the Noteholder is an individual (i) who has filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent and (ii) whose Note neither forms part of a trade or business nor gives rise to income from the letting and leasing of property. However, this is the case only to the extent the income derived from the Note together with other Private Investment Income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the Noteholder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs- Bescheinigung*) issued by the relevant local tax office. Furthermore, withholding tax will not apply to gains from the disposal or redemption of Notes held by a corporation as Holder while ongoing payments, such as interest payments, are subject to withholding tax (irrespective of any deductions of foreign tax and capital losses incurred). The same may apply where the Notes form part of a trade or business, subject to further requirements being met.

Payment of the withholding tax with respect to Private Investment Income (such as interest income from the Notes, income from a separate disposal or redemption of interest claims as well as any capital gains from a disposal or redemption of the Notes) will generally satisfy the income tax liability of the Noteholder in respect of the relevant income (*Abgeltungssteuer*). However, Noteholders may apply for a tax assessment on the basis of general rules applicable to them (in lieu of the flat taxation) if the resulting income tax liability is lower than the tax liability arising under the flat tax regime. However, in this case as well income-related expenses cannot be deducted from the Private Investment Income, except for the aforementioned annual lump-sum deduction. Where, however, the relevant income qualifies as business income, the withholding tax, the solidarity surcharge thereon and church tax are credited as prepayments against the relevant tax liability of the Noteholder. Amounts withheld in excess will entitle the Noteholder to a refund, based on an assessment to tax.

Non-Residents

Interest income from the Notes (including Accrued Interest), income from a separate disposal or redemption of interest claims as well as any capital gains from a disposal or redemption of the Notes derived by persons not resident in Germany are not subject to German taxation, unless (i) the Notes form part of the trade or business for which a permanent establishment or a fixed based is maintained, or a permanent representative has been appointed, in Germany by the Noteholder or (ii) the interest income otherwise constitutes German source income. In the cases of (i) and (ii) the applicable tax regime is similar to the regime explained in the preceding sub-section "*— Tax Residents*".

Non-residents of Germany are, in general, exempt from German withholding tax on interest and capital gains. However, where the income is subject to German taxation as set forth in the preceding paragraph and the Notes are held or administrated in a custodial account with a Disbursing Agent, withholding tax is levied as explained above in the preceding sub-section "*— Tax Residents*".

The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

Inheritance and Gift Tax

Inheritance tax (*Erbschaftsteuer*) or gift tax (*Schenkungsteuer*) with respect to the Notes will not arise under the laws of Germany, if, in the case of inheritance tax, neither the descendant nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in the Germany.

EU Savings Directive

Under the EU Council Directive 2003/48/EC dated June 3, 2003 (the "**EU Savings Directive**"), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Council Directive (the **Amending Directive**) amending and broadening the scope of the requirements described above. The Amending Directive requires Member States to apply these new requirements from 1 January 2017 and if they were to take effect the changes would expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. The EU Savings Directive would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

By legislative regulations dated 26 January 2004 the German Federal Government enacted provisions implementing the information exchange on the basis of the EU Savings Directive into German law. These provisions apply since 1 July 2005.

The proposed European financial transactions tax (FTT)

On February 14, 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt. Under the Commission's Proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016. The FTT, as initially implemented on this basis, may not apply to dealings in the Notes. The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Subscription of the Notes

Pursuant to the Subscription Agreement, the Manager has agreed, subject to certain conditions, to subscribe, or to procure subscriptions, for the Class A Notes. The Seller, has agreed, subject to certain conditions, to subscribe for the Class B Notes. The Issuer has agreed to pay the Manager a combined management, underwriting and placement commission on the Notes, as agreed between the parties to the Subscription Agreement. The Issuer has further agreed to reimburse the Manager for certain of its expenses in connection with the issue of the Notes. The Issuer will draw an advance under the Funding Loan to pay, *inter alia*, any selling concessions, transaction structuring fees and underwriting and placement commissions and expenses of the Manager.

In the Subscription Agreement, the Issuer has made certain representations and warranties in respect of its legal and financial matters.

The Subscription Agreement entitles the Manager to terminate their obligations thereunder in certain circumstances prior to payment of the purchase price of the Notes. The Issuer has agreed to indemnify the Manager against certain liabilities in connection with the offer and sale of the Notes.

Selling Restrictions

United States of America and its Territories

- (1) The Notes have not been and will not be registered under the Securities Act and may not be offered, or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act. The Manager has represented and agreed that it has not offered and sold the Notes, and will not offer and sell the Notes (i) as part of its distribution at any time or (ii) otherwise until 40 calendar days after the completion of the distribution of all Notes except, in either case, in accordance with Rule 903 of the Regulation S under the Securities Act. Neither the Manager nor its respective affiliates nor any persons acting on its behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. At or prior to confirmation of sale of Notes, the Manager will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the restricted period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons by any person referred to in Rule 903 (b)(2) (iii) (x) as part of their distribution at any time or (y) otherwise until forty (40) calendar days after the completion of the distribution of Securities as determined and certified by the Manager, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S under the Securities Act."

Terms used in this clause have the meaning given to them by Regulation S under the Securities Act.

- (2) Further, the Manager has represented and agreed that:
 - (a) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5 (c)(2)(i)(D) (the "**TEFRA D Rules**"), (x) it has not offered or sold, and during the restricted period will not offer or sell, directly or indirectly, Notes in bearer form to a person who is within the United

States or its possessions or to a United States person, and (y) it has not delivered and will not deliver, directly or indirectly, within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;

- (b) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;
- (c) if it was considered a United States person, that it is acquiring the Notes for purposes of resale in connection with their original issuance and agrees that if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.63-5(c)(2)(i)(D)(6); and
- (d) with respect to each affiliate that acquires from it Notes in bearer form for the purpose of offering or selling such Notes during the restricted period that it will either (i) repeat and confirm the representations and agreements contained in sub-clauses (a), (b) and (c); or (ii) obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in sub-clauses (a), (b) and (c).

Terms used in this clause (2) have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), the Manager represents and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than the offers contemplated in this Prospectus from the time the Prospectus has been approved by the competent authority in that Relevant Member State and published and, where appropriate, notified to the relevant competent authority or authorities in accordance with the Prospectus Directive, and provided that the Issuer has consented in writing to the use of the Prospectus for any such offers, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Notes to the public in that Relevant Member State at any time:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Manager nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Notes shall require the Issuer or the Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied

in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

The Manager has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

As used herein, "**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.

France

The Manager has represented, warranted and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France within the meaning of article L.411-1 of the French Monetary and Financial Code (*Code Monétaire et Financier*), and that, it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France this Prospectus or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (A) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (B) qualified investors (*investisseurs qualifiés*) investing for their own account, other than individuals, and/or (C) a restricted circle of investors (*cercle restreint d'investisseurs*) investing for their own account, all as defined in and in accordance with articles L.411-1, L.411-2 and D.411-1 to D.411-4 of the French Monetary and Financial Code (*Code Monétaire et Financier*).

General

All applicable laws and regulations must be observed in any jurisdiction in which Notes may be offered, sold or delivered. The Manager has agreed that it will not offer, sell or deliver any of the Notes, directly or indirectly, or distribute this Prospectus or any other offering material relating to the Notes, in or from any jurisdiction except under circumstances that will to the best knowledge and belief of the Manager result in compliance with the applicable laws and regulations thereof and that will not impose any obligations on the Issuer except as set out in the Subscription Agreement.

USE OF PROCEEDS

The aggregate net proceeds from the issue of the Notes will amount to EUR699,999,999.63. The net proceeds are equal to the gross proceeds and will be used by the Issuer to finance the purchase price for the acquisition of the Receivables and Related Collateral from the Seller on the Note Issuance Date. Concurrently with the Notes, the Issuer will be granted the Funding Loan and will use the proceeds from the Funding Loan to pay certain amounts payable on the Note Issuance Date under the Transaction Documents (including, without limitation, any fees, costs and expenses payable on the Note Issuance Date to the Manager and to other third parties in connection with the offer and sale of the Notes) and certain other costs. To the extent that the net proceeds from the issue of the Notes exceed the purchase price for the acquisition of the Receivables, such difference will be credited to the Reserve Fund and will be part of the Available Distribution Amount as of the following Payment Date.

The Issuer believes that the Portfolio has characteristics that demonstrate capacity to produce the monies to service any payments due and payable on the Notes in accordance with the Terms and Conditions.

GENERAL INFORMATION

Subject of this Prospectus

This Prospectus relates to Class A Notes in an aggregate principal amount of EUR633,500,000 and Class B Notes in an aggregate principal amount of EUR 66.500.000, in each case issued by SC Germany Vehicles 2015-1 UG (*haftungsbeschränkt*), Frankfurt am Main, Germany.

Authorisation

The issue of the Notes was authorised by a resolution of the managing directors of the Issuer passed on 20 April 2015.

Litigation

The Issuer has not been engaged in any governmental, litigation or arbitration proceedings which may have a significant effect on its financial position since its incorporation, nor, as far as the Issuer is aware, are any such governmental, litigation or arbitration proceedings pending or threatened.

The Seller is not, and has not been during the last twelve (12) months prior to the date of this Prospectus, engaged in any governmental, litigation or arbitration proceedings which may have or have had during such period a significant effect on its financial position, and, as far as the Seller is aware, no such governmental, litigation or arbitration proceedings are pending or threatened.

Payment Information

For as long as the Notes are listed on the official list of the Luxembourg Stock Exchange, the Issuer will inform the Luxembourg Stock Exchange of the Interest Amounts, the Interest Periods and the Interest Rates and, if relevant, the payments of principal on each Class of Notes, in each case in the manner described in the Terms and Conditions.

Payments and transfers of the Notes will be settled through Clearstream Luxembourg and Euroclear, as described herein. The Notes have been accepted for clearing by Clearstream Luxembourg and Euroclear.

All notices regarding the Notes will be either (i) delivered to Euroclear and Clearstream Luxembourg for communication by it to the Noteholders or (ii) made available for a period of not less than thirty (30) calendar days but in any case only as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange on the following website: www.bourse.lu.

Material Change

There has been no material adverse change in the financial position or prospects of the Issuer since its incorporation.

Miscellaneous

No statutory or non-statutory accounts in respect of any fiscal year of the Issuer have been prepared other than as contained in this Prospectus. The Issuer will not publish interim accounts. The fiscal year in respect of the Issuer is the calendar year.

Luxembourg Listing

Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on the official list of the Luxembourg Stock Exchange. The Issuer has appointed The Bank of New York Mellon, (Luxembourg) S.A., Vertigo Building-Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg, as the initial listing agent for the Luxembourg Stock Exchange and as the initial Luxembourg Intermediary. The Luxembourg Intermediary will act as intermediary between the Issuer and the holders of the Notes listed on the official list of the Luxembourg Stock Exchange. For as long as any of the Notes are listed on the official list of the Luxembourg Stock Exchange, the Issuer will maintain a Luxembourg intermediary.

Publication of Documents, Websites referred to in this Prospectus

This Prospectus will be made available to the public by publication in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The content of any website referred to in this Prospectus does not form part of the Prospectus.

Availability of Documents

Prior to the listing of the Notes on the Luxembourg Stock Exchange, the constitutional documents of the Issuer will be registered with the Luxembourg Intermediary where such documents are available for inspection and copies of these documents may be obtained, free of charge, upon request.

Certain loan level data (on a no-name basis) is available for inspection, free of charge, at the registered office of the Seller at Santander Consumer Bank AG, Santander-Platz 1, 41061 Monchengladbach, Germany during customary business hours upon request. Such data may also be obtained, free of charge, upon request from the Seller in electronic form following the due execution of a non-disclosure agreement.

Upon listing of the Notes on the Luxembourg Stock Exchange, copies of the constitutive documents of the Issuer may also be obtained free of charge during customary business hours at the specified offices of the Principal Paying Agent and at the registered office of the Issuer and, at the specified offices of the Luxembourg Intermediary. The following documents will also be available at the offices of the Principal Paying Agent and of the Issuer:

- (a) the articles of association (*Gesellschaftsvertrag*) of the Issuer;
- (b) the resolution of the managing directors of the Issuer approving the issue of the Notes and the transaction envisaged by the Transaction Documents;
- (c) the future annual financial statements of the Issuer (interim financial statements will not be prepared);
- (d) all notices given to the Noteholders pursuant to the Terms and Conditions;
- (e) this Prospectus and all Transaction Documents referred to in this Prospectus;
- (f) annual financial statements of the Seller for the years ended 31 December 2013 and 2014.

Other than the documents and information available at the offices of the Luxembourg Intermediary, which will only be available as long as any of the Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, the documents and information described above will be available for inspection at the specified places until the Class A Notes have been redeemed in full.

Post-issuance Transaction Information

Following the Note Issuance Date, the Principal Paying Agent will provide the Issuer, the Corporate Administrator, the Transaction Security Trustee and, on behalf of the Issuer, by means of notification in accordance with Condition 13 (*Form of Notices*) of the Terms and Conditions of the Notes, the Noteholders, and so long as any of the Notes are listed on the official list of the Luxembourg Stock Exchange, and admitted to trading on the regulated market of the Luxembourg Stock Exchange, with the following information, all in accordance with the Agency Agreement and the Terms and Conditions of the Notes:

- (i) with respect to each Payment Date, the Interest Amount pursuant to Condition 6.1 (Interest Calculation) of the Terms and Conditions of the Notes;
- (ii) with respect to each Payment Date, the amount of Interest Shortfall pursuant to Condition 6.5 (*Interest Shortfall*) of the Terms and Conditions of the Notes, if any;
- (iii) with respect to each Payment Date falling on a date after the expiration of the Replenishment Period, the amount of principal on each Class A Note and each Class B Note pursuant to Condition 7 (*Redemption*) of the Terms and Conditions of the Notes to be paid on such Payment Date;
- (iv) with respect to each Payment Date falling on a date after the expiration of the Replenishment Period, the Note Principal Amount of each Class A Note and each Class B Note and the Class A Principal Amount and the Class B Principal Amount as from such Payment Date; and
- (v) in the event the payments to be made on a Payment Date constitute the final payment with respect to the Notes pursuant to Condition 7.4 (*Legal Maturity Date*) of the Terms and Conditions of the Notes, the fact that such is the final payment.

In each case, such notification shall be made by the Principal Paying Agent on the Interest Determination Date preceding the relevant Payment Date.

Clearing Codes

Class A Notes

WKN: A14KJY
ISIN: XS1217133815
Common Code: 121713381

Class B Notes

WKN: A14KJZ
ISIN: XS1217140356
Common Code: 121714035

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