

## IMPORTANT NOTICE

### NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S.

**IMPORTANT: You must read the following before continuing.** The following applies to the prospectus attached to this electronic transmission, and you are therefore advised to read this carefully before reading, accessing or making any other use of the prospectus. In accessing the prospectus, you agree to be bound by the following terms and conditions, including any modifications to them at any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT IN CERTAIN TRANSACTIONS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

EXCEPT WITH THE PRIOR WRITTEN CONSENT OF THE SELLER AND WHERE ONLY SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE RISK RETENTION REQUIREMENT OF SECTION 15G OF THE U.S. EXCHANGE ACT OF 1934, AS AMENDED, ("**U.S. RISK RETENTION RULES**"), THE NOTES OFFERED AND SOLD BY THE ISSUER MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY "U.S. PERSON" AS DEFINED IN THE U.S. RISK RETENTION RULES ("**RISK RETENTION U.S. PERSONS**"). PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS DIFFERENT FROM THE DEFINITION OF "U.S. PERSON" IN REGULATION S UNDER THE SECURITIES ACT, AND PERSONS WHO ARE NOT "U.S. PERSONS" UNDER REGULATION S UNDER THE SECURITIES ACT MAY BE U.S. PERSONS UNDER THE U.S. RISK RETENTION RULES. EACH PURCHASER OF NOTES, INCLUDING BENEFICIAL INTERESTS THEREIN, WILL BE DEEMED, AND IN CERTAIN CIRCUMSTANCES REQUIRED, TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) IS NOT A RISK RETENTION U.S. PERSON (UNLESS IT HAS OBTAINED A PRIOR WRITTEN CONSENT OF THE SELLER), (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, OR, IN THE CASE OF A DISTRIBUTOR, WILL ONLY DISTRIBUTE SUCH NOTE TO A PERSON WHO IS NOT A U.S. RISK RETENTION PERSON, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES.

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

SOLELY FOR THE PURPOSES OF EACH MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN DIRECTIVE 2014/65/EU (AS AMENDED, "**MIFID II**"); AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A "**DISTRIBUTOR**") SHOULD TAKE INTO CONSIDERATION THE MANUFACTURERS' TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURERS' TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND

SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA ("EEA"). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF MIFID II; OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC (AS AMENDED, THE "**INSURANCE MEDIATION DIRECTIVE**"), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED, THE "**PRIIPS REGULATION**") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

THE ARRANGERS WILL NOT REGARD ANY ACTUAL OR PROSPECTIVE HOLDERS OF NOTES (WHETHER OR NOT A RECIPIENT OF THE PROSPECTUS) AS THEIR CLIENT IN RELATION TO THE OFFERING DESCRIBED IN THE PROSPECTUS AND WILL NOT BE RESPONSIBLE TO ANYONE OTHER THAN THE ISSUER FOR PROVIDING THE PROTECTIONS AFFORDED TO ITS CLIENTS NOR FOR PROVIDING THE SERVICES IN RELATION TO THE OFFERING DESCRIBED IN THE PROSPECTUS OR ANY TRANSACTION OR ARRANGEMENT REFERRED TO THEREIN.

The following prospectus has been delivered to you on the basis that you are a person into whose possession the prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the prospectus to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the arrangers or any affiliate of the arrangers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the arrangers or such affiliate on behalf of the Issuer in such jurisdiction. In order to be eligible to view the following prospectus or make an investment decision with respect to the securities, investors must not be U.S. persons (within the meaning of Regulation S under the Securities Act) or located in the United States. The following prospectus is being sent at your request and, by accessing the prospectus, you shall be deemed to have confirmed and represented to us that (i) you have understood and agree to the terms set out herein, you consent to delivery of the prospectus by electronic transmission, (ii) you are not a U.S. person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia and (iv) if you are a person in the United Kingdom, then you are a person who (A) has professional experience in matters relating to investments within Article 19 of the Financial Services and Markets Act (Financial Promotion) Order 2005 (the "**FPO**") or (B) is a high net worth entity falling within Article 49(2)(a) to (d) of the FPO or a certified high net worth individual within Article 48 of the Order.

Notwithstanding the foregoing, the Seller may agree that a portion of the Notes may be sold to, or for the account or benefit of, Risk Retention U.S. Persons in accordance with the exemption under Section 20 of the U.S. Risk Retention Rules.

The issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules other than the exemption under Section 20 of the U.S. Risk Retention Rules, and no other steps have been taken by the Issuer, the Seller or the Arrangers or any of their affiliates or any other party to accomplish such compliance. 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 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 Arrangers, except in either case in accordance with Regulation S under the Securities Act.

The following prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of MotoPark Finance plc, the Arrangers, the Swap Counterparty, the Agents, the Account Bank, the Cash Manager or the Trustee (as defined herein) nor any person who controls any of them respectively (nor any director, officer, employee or agent of it or affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the

prospectus distributed to you in electronic format and the hard copy version available to you on request from MotoPark Finance plc, the Arrangers or the Swap Counterparty (as defined herein).

**MotoPark Finance plc**

(Incorporated under the laws of England and Wales with limited liability under registered number 11077816)

Notes	Principal Amount	Issue Price	Interest Rate/Reference Rate	Relevant Margin	Final Maturity Date	Ratings
Class A	£507,500,000	100%	1 month Sterling LIBOR + Relevant Margin <sup>12</sup>	0.80%	The Payment Date falling in 20 June 2025	A(sf) by S&P and A(sf) by DBRS
Class B	£21,500,000	100%	1 month Sterling LIBOR + Relevant Margin <sup>12</sup>	1.40%	The Payment Date falling in 20 June 2025	BBB(sf) by S&P and BBB(sf) by DBRS
Class C	£11,000,000	100%	15%	NA	The Payment Date falling in 20 June 2025	No rating
Class D	£3,780,000	100%	20%	NA	The Payment Date falling in 20 June 2025	No rating

<sup>1</sup> The Class A Notes Interest Rate and the Class B Notes Interest Rate will be zero if the sum of 1 month Sterling LIBOR + Relevant Margin is less than zero.

<sup>2</sup> Except in the case of the first Interest Period from and including the Closing Date to (but excluding) the Payment Date falling in February 2018, an interpolation of the LIBOR for 1 week and 1 month Sterling deposits.

<b>Issue Date</b>	The Issuer expects to issue the Notes in the classes set out above on 23 January 2018 (the " <b>Closing Date</b> ").
<b>Underlying Assets</b>	The Issuer will make payments on the Notes from, <i>inter alia</i> , payments of principal and revenue received from a portfolio comprising auto loans (hire purchase agreements and personal contract purchase contracts) originated by FirstRand Bank Limited acting through its London Branch (the " <b>Seller</b> " and the " <b>Originator</b> ") (the " <b>Purchased Receivables Pool</b> ") which will be purchased by the Issuer on the Closing Date and on each Additional Purchase Date. These hire purchase agreements and personal contract purchase agreements provide for equal monthly payments over the term of the contract or monthly payments and a final bullet payment or, in respect of the personal contract purchase agreements an additional larger "balloon" final rental payment at the end of the term. See the section entitled " <i>The Provisional Receivables Pool</i> " for more information.

<p><b>Credit Enhancement</b></p>	<p>Subordination of junior ranking Notes.</p> <p>Cash Reserve Account, funded from the proceeds of the issue of the Notes on the Closing Date in an amount of £3,780,000 (the "<b>Initial Cash Reserve Amount</b>"), corresponding to 0.7% of the Aggregate Initial Cut-Off Date Principal Balance, which will be topped-up (and increased, to an amount corresponding to 1.3% of the Aggregate Initial Cut-Off Date Principal Balance) on each Payment Date up to the Specified Cash Reserve Account Required Balance. Any balance on the Cash Reserve Account from time to time (including on the Final Maturity Date) will form part of the Available Distribution Amount. The monies in the Cash Reserve Account may be used by the Issuer to cover certain shortfalls, subject to and in accordance with the Pre-Enforcement Order of Priority.</p> <p>See the section entitled "<i>Credit Structure and Cashflow</i>" for more information.</p>
<p><b>Redemption Provisions</b></p>	<p>Information on any optional and mandatory redemption of the Notes is summarised on pages 59 to 63 (<i>Summary of the Terms and Conditions of the Notes</i>) and set out in full in Condition 7 (<i>Redemption and cancellation</i>).</p>
<p><b>Credit Rating Agencies</b></p>	<p>Ratings will be assigned to the Rated Notes by S&amp;P and DBRS. Each of S&amp;P and DBRS is established and operating in the European Union, is registered under Regulation (EC) No 1060/2009, as amended (the "<b>CRA Regulation</b>") and is listed in the list of rating agencies available in the European Securities and Markets Association website.</p>
<p><b>Credit Ratings</b></p>	<p>Ratings are expected to be assigned to the Rated Notes as set out above on or before the Closing Date.</p> <p>The Class A Notes and are expected to be rated A(sf) by S&amp;P and A(sf) by DBRS.</p> <p>The Class B Notes are expected to be rated BBB(sf) by S&amp;P and BBB(sf) by DBRS.</p> <p>The Class A Notes and the Class B Notes are together the "<b>Rated Notes</b>".</p> <p>The Class C Notes and the Class D Notes will not be rated.</p> <p>The ratings assigned by S&amp;P to the Rated Notes address (i) the timely payment of interest on the Rated Notes on each Payment Date and (ii) the ultimate repayment of the Principal Amount Outstanding of the Rated Notes on or before the Final Maturity Date.</p> <p>The ratings assigned by DBRS to the Rated Notes address (i) the timely payment of interest on the Rated Notes on each Payment Date and (ii) the ultimate repayment of the Principal Amount Outstanding of the Rated Notes on or before the Final Maturity Date.</p> <p><b>The ratings should not be regarded as a recommendation by the Issuer or by the Arrangers or by the Rating Agencies to buy, sell or hold the Rated Notes.</b></p> <p><b>The credit ratings of the Notes should be evaluated independently from similar ratings on other types of securities.</b></p> <p><b>The assignment of ratings to the Rated Notes is not a recommendation to invest in the Rated Notes. Any credit rating assigned to the Rated Notes may be revised or withdrawn at any time.</b></p>
<p><b>Listing</b></p>	<p>This document comprises a prospectus (the "<b>Prospectus</b>"), for the purpose of Directive 2003/71/EC, as amended by Directive 2010/73/EU (together, the "<b>Prospectus Directive</b>"). This Prospectus has been approved by the Central Bank of Ireland as competent authority under the Prospectus Directive.</p>
	<p>The Central Bank of Ireland only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.</p> <p>Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List (the "<b>Official List</b>") and trading on its regulated market. The regulated market of the Irish Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC (the "<b>Markets in Financial Instruments Directive</b>").</p>
<p><b>Obligations</b></p>	<p>The Notes will be obligations of the Issuer alone and will not be guaranteed by, or be</p>

	the responsibility of, any other entity. In particular, the Notes will not be obligations of, or guaranteed by, or be the responsibility of FRB London, its affiliates or any other party to the Transaction Documents other than the Issuer.
<b>Retention Undertaking</b>	<p>The Seller will undertake in the Receivables Purchase Agreement that it will retain, on an ongoing basis, a material net economic interest which shall in any event not be less than 5%, in accordance with Articles 404-410 (inclusive) of the EU Capital Requirements Regulation (the "<b>CRR</b>") and Section 5 of Chapter III ("<b>Section 5</b>") of the Commission Delegated Regulation 231/2013 of 19 December 2012 (the "<b>AIFMR</b>") supplementing the Alternative Investment Fund Managers Directive 2011/61/EU of the European Parliament and the Council of 22 July 2013 on alternative investment fund managers (the "<b>AIFMD</b>") and Article 254 of Regulation (EU) 2015/35 of 10 October 2014 (the "<b>Solvency II Regulation</b>"). As at the Closing Date and on each Additional Purchase Date, such interest will be comprised of randomly selected Receivables with an aggregate Principal Balance equal to at least 5% of the Principal Balance of the Purchased Receivables in the Portfolio in accordance with Article 405(1)(c) of the CRR, Article 51(1)(c) of the AIFMD and Article 254(2)(c) of the Solvency II Regulation. Any change to the manner in which such interest is held will be promptly notified to the Trustee and the Noteholders.</p> <p>Each prospective investor that is required to comply with Articles 404-410 of the CRR, Section 5 of the AIFMR and Article 254 of the Solvency II Regulation is required independently to assess and determine the sufficiency of the information described in this Prospectus and otherwise which may be made available to investors (if any) generally for the purposes of complying with Articles 404-410 of the CRR, Section 5 of the AIFMR and Article 254 of the Solvency II Regulation any corresponding local implementing rules which may be relevant, and none of the Transaction Parties make any representation that the information described in this Prospectus and otherwise which may be made available to investors (if any) is sufficient in all circumstances for such purposes. Prospective investors who are uncertain as to the requirements under Articles 404-410 of the CRR, Section 5 of the AIFMR and Article 254 of the Solvency II Regulation which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.</p> <p>Please refer to the section entitled "<i>The Retained Interest Pool</i>" and to "<i>RISK FACTORS - Compliance with the CRR, AIFMR and the Solvency II Regulation</i>".</p>
<b>Eurosystem Eligibility</b>	At the Closing Date the Notes will not satisfy all of the applicable criteria that are currently in force to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem. It is intended on the Closing Date that the Notes will not be held in a manner that is consistent with Eurosystem eligibility. Please refer to the section entitled " <i>Form of the Notes</i> ".

**THE "*RISK FACTORS*" SECTION CONTAINS DETAILS OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE GIVEN PARTICULAR CONSIDERATION BEFORE INVESTING IN THE NOTES. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE ISSUES SUMMARISED WITHIN THAT SECTION.**

**Arrangers**

**FirstRand Bank Limited, London Branch**

**HSBC**

**The date of this Prospectus is 22 January 2018**

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THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR ANY STATE SECURITIES LAWS. THE NOTES MAY NOT BE OFFERED OR SOLD DIRECTLY OR INDIRECTLY WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE NOTES WILL ONLY BE OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS PURSUANT TO THE REQUIREMENTS OF REGULATION S UNDER THE SECURITIES ACT. THERE IS NO UNDERTAKING TO REGISTER THE NOTES UNDER STATE OR FEDERAL SECURITIES LAW. THE NOTES CANNOT BE SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT IS AVAILABLE.

EXCEPT WITH THE PRIOR WRITTEN CONSENT OF THE SELLER AND WHERE ONLY SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE RISK RETENTION REQUIREMENT OF SECTION 15G OF THE U.S. EXCHANGE ACT OF 1934, AS AMENDED, ("**U.S. RISK RETENTION RULES**"), THE NOTES OFFERED AND SOLD BY THE ISSUER MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY "U.S. PERSON" AS DEFINED IN THE U.S. RISK RETENTION RULES ("**RISK RETENTION U.S. PERSONS**"). PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS DIFFERENT FROM THE DEFINITION OF "U.S. PERSON" IN REGULATION S UNDER THE SECURITIES ACT, AND PERSONS WHO ARE NOT "U.S. PERSONS" UNDER REGULATION S UNDER THE SECURITIES ACT MAY BE U.S. PERSONS UNDER THE U.S. RISK RETENTION RULES. EACH PURCHASER OF NOTES, INCLUDING BENEFICIAL INTERESTS THEREIN, WILL BE DEEMED, AND IN CERTAIN CIRCUMSTANCES REQUIRED, TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) IS NOT A RISK RETENTION U.S. PERSON (UNLESS IT HAS OBTAINED A PRIOR WRITTEN CONSENT OF THE SELLER), (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, OR, IN THE CASE OF A DISTRIBUTOR, WILL ONLY DISTRIBUTE SUCH NOTE TO A PERSON WHO IS NOT A U.S. RISK RETENTION PERSON, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES.

Each initial and subsequent purchaser of Notes will be deemed, by its acceptance of such Notes, to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer thereof as set forth therein and described in this Prospectus and, in connection therewith, may be required to provide confirmation of its compliance with such resale or other transfer restrictions in certain cases.

### **Responsibility Statements**

The Issuer accepts responsibility for the information contained in this Prospectus and to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer confirms that this Prospectus contains all information which is material in the context of the issue of the Notes, that such information contained in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and the intentions expressed in it are honestly held by it and that there are no other facts the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect and all proper enquiries have been made to ascertain and to verify the foregoing. The Issuer further confirms that where information has been sourced from a third party that such information has been accurately reproduced and, so far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer accepts responsibility accordingly and the Issuer has confirmed to the Arrangers that the Issuer accepts such responsibility.

FirstRand Bank Limited acting through its London Branch in its capacity as the Seller and the Servicer accepts

responsibility for the information contained in this document relating to itself, the description of its rights and obligations, all information relating to the Financing Contracts, the Obligors, the Purchased Receivables, the Receivables Purchase Agreement and the Servicing Agreement and the sections headed "THE SELLER AND SERVICER", "BUSINESS PROCEDURES OF FIRSTRAND BANK LIMITED ACTING THROUGH ITS LONDON BRANCH", "DESCRIPTION OF THE PURCHASED RECEIVABLES", "THE PROVISIONAL RECEIVABLES POOL", "THE RETAINED INTEREST POOL", "HISTORICAL PERFORMANCE DATA", "ESTIMATED AMORTISATION OF THE RATED NOTES", "ESTIMATED WEIGHTED AVERAGE LIFE OF THE RATED NOTES" and "THE SELLER AND SERVICER" and all information relating to the Financing Contracts in any Servicing Report and all the confirmations and undertakings for and in respect of the Retained Interest and, as applicable, the making of certain information available to investors pursuant to Articles 404-410 (inclusive) of the CRR, Section 5 of the AIFMR and Article 254 of the Solvency II Regulation (the "**FRB London Information**") and to the best of the knowledge and belief of FirstRand Bank Limited acting through its London Branch (which has taken all reasonable care to ensure that such is the case) such FRB London Information is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Seller and Servicer as to the accuracy or completeness of any information contained in this Prospectus (other than the FRB London Information) or any other information supplied in connection with the Notes or their distribution.

HSBC Bank plc, in its capacity as the Account Bank accepts responsibility for the information contained in this document relating to itself in the section headed "ACCOUNT BANK" (the "**Account Bank Information**") and to the best of the knowledge and belief of the Account Bank (which has taken all reasonable care to ensure that such is the case) such Account Bank Information is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Account Bank as to the accuracy or completeness of any information contained in this Prospectus (other than the Account Bank Information) or any other information supplied in connection with the Notes or their distribution.

Equiniti Gateway Limited in its capacity as the Back-up Servicer accepts responsibility for the information contained in this document relating to itself in the section headed "Back-up Servicer" (the "**Back-up Servicer Information**") and to the best of the knowledge and belief of the Back-up Servicer (which has taken all reasonable care to ensure that such is the case) such Back-up Servicer Information is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Back-up Servicer as to the accuracy or completeness of any information contained in this Prospectus (other than the Back-up Servicer Information) or any other information supplied in connection with the Notes or their distribution.

The Swap Counterparty accepts responsibility for the information contained in this document relating to itself in the section headed "SWAP COUNTERPARTY" (the "**Swap Counterparty Information**") and to the best of the knowledge and belief of the Swap Counterparty (which has taken all reasonable care to ensure that such is the case) such Swap Counterparty Information is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Swap Counterparty as to the accuracy or completeness of any information contained in this Prospectus (other than the Swap Counterparty Information) or any other information supplied in connection with the Notes or their distribution.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted (other than with respect to the information referred to above and referable to it if any) by the Arrangers, the Seller, the Trustee, the Paying Agent, the Agent Bank, the Account Bank, the Cash Manager, the Servicer, the Back-up Servicer, the Obligors, the Corporate Services Provider, the Listing Agent, the Swap Counterparty or any other party to the Transaction Documents or any person affiliated with them (other than the Issuer) as to the accuracy or completeness of the information contained in this Prospectus or any other information supplied in connection with the Notes or their distribution. Other than with respect to the information referred to above, each person receiving this Prospectus acknowledges that such person has not relied on the Arrangers, the Seller, the Trustee, the Paying Agent, the Agent Bank, the Account Bank, the Cash Manager, the Servicer, the Back-up Servicer, the Obligors, the Corporate Services Provider, the Listing Agent, the Swap Counterparty or any other party to the Transaction Documents or any person affiliated with them (other than the Issuer) in connection with any investigation of the accuracy of the information on its investment decision.

For the avoidance of doubt, and notwithstanding any other statement contained in this Prospectus (but, for the avoidance of doubt, without prejudice to the statements above regarding FRB London's responsibility for the FRB London



Information), none of the Arrangers, the Trustee, the Paying Agent, the Agent Bank, the Account Bank, the Cash Manager, the Back-up Servicer, the Obligors, the Corporate Services Provider, the Listing Agent or the Swap Counterparty 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 none of the Arrangers, the Trustee, the Paying Agent, the Agent Bank, the Account Bank, the Cash Manager, the Back-up Servicer, the Obligors, the Corporate Services Provider, the Listing Agent or the Swap Counterparty accept any responsibility or liability therefor. None of the Arrangers, the Trustee, the Paying Agent, the Agent Bank, the Account Bank, the Cash Manager, the Back-up Servicer, the Obligors, the Corporate Services Provider, the Listing Agent or the Swap Counterparty undertake 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 such Arranger, the Trustee, the Paying Agent, the Agent Bank, the Account Bank, the Cash Manager, the Back-up Servicer, the Obligors, the Corporate Services Provider, the Listing Agent or the Swap Counterparty.

The Issuer is not and will not be regulated by the Central Bank of Ireland as a result of issuing the Notes. Any investment in the Notes does not have the status of a bank deposit and it is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland.

Walkers Listing Services Limited as listing agent is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission to the Official List of the Irish Stock Exchange or to trading on the Irish Stock Exchange for the purposes of the Prospectus Directive.

### **Form of Notes**

The Notes will be in bearer form and in the denomination of £100,000 and integral multiples of £1,000 in excess thereof. The Notes of each Class will initially be represented on issue by a temporary global note in bearer form (each, a "**Temporary Global Note**") without interest coupons or receipts attached, which will be deposited on or about the Closing Date with a common safekeeper for Clearstream Banking *société anonyme* ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**"). Each Temporary Global Note will be exchangeable for interests in a permanent global note in bearer form (each, a "**Permanent Global Note**") representing the same Class of Notes, without interest coupons attached, not earlier than forty (40) days after the Closing Date (provided that certificates as to non-U.S. beneficial ownership have been received). Ownership interests in the Temporary Global Notes and the Permanent Global Notes will be shown on, and transfers thereof will only be effected through, records maintained by Clearstream, Luxembourg and Euroclear and their respective participants. Interests in the Permanent Global Notes will be exchangeable for Definitive Notes in bearer form only in certain limited circumstances as set forth herein.

Each Global Note will be in the form of a new global note. The Notes will all have the benefit of the security created in favour of the Trustee pursuant to the Deed of Charge and the Assignment in Security (the "**Issuer Security**") and in the event of the Issuer Security being enforced, the Class A Notes will rank in priority to the Class B Notes, the Class B Notes will rank in priority to the Class C Notes and the Class C Notes will rank in priority to the Class D Notes. Certain debts of the Issuer, including in certain circumstances certain amounts due under the Interest Rate Swap Agreement, will rank in priority to the Notes. See "TERMS AND CONDITIONS OF THE NOTES".

At the Closing Date the Notes will not satisfy all of the applicable criteria that are currently in force to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem. It is intended on the Closing Date that the Notes will not be held in a manner that is consistent with Eurosystem eligibility.

### **Representations about the Notes**

No person is or has been authorised in connection with the issue and sale of the Notes to make any representation or provide any information other than as contained in this Prospectus. Any such representation or information should not be relied upon as having been authorised by or on behalf of the Issuer, Arrangers, the Seller, the Trustee, the Paying Agent, the Agent Bank, the Account Bank, the Cash Manager, the Servicer, the Back-up Servicer, the Obligors, the Corporate Services Provider, the Listing Agent, the Swap Counterparty or any other party to the Transaction Documents or any person affiliated with them.

Prospective investors should not construe the contents of this Prospectus as legal, economic, investment, accounting, tax or other advice. Each prospective investor must rely upon its own representatives and professional advisers, including its own legal counsel and accountants, as to legal, economic, tax and related aspects of the investment described herein and as to its suitability for such investor. Investment in the Notes may not be suitable for all recipients of this Prospectus. If you are in any doubt about the contents of this Prospectus you should consult your financial advisers.

### **Financial condition of the Issuer and the Obligors**

Neither the delivery of this Prospectus nor the offer, sale, allocation, solicitation or delivery of any Note shall in any circumstances create any implication or constitute a representation that there has been no adverse change, or any event reasonably likely to involve any adverse change in the condition (financial or otherwise) of the Issuer or the Obligors or the information contained herein since the date of this Prospectus or that the information contained herein is correct as at any time subsequent to the date of this Prospectus.

### **Selling Restrictions**

This Prospectus has been approved by the Central Bank of Ireland as competent authority under the Prospectus Directive.

The Central Bank of Ireland only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market.

No action has been or will be taken to permit a public offering of the Notes or the public distribution of this Prospectus in any jurisdiction. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part thereof) comes are required by the Issuer to inform themselves about and to observe any such restrictions.

Neither this Prospectus nor any part hereof constitutes an offer of, or an invitation by, or on behalf of, the Issuer or the Arrangers to subscribe for or purchase any of the Notes. Neither this Prospectus, nor any part hereof, may be used for or in connection with an offer to, or solicitation by, any person in any jurisdiction or in any circumstance in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any part hereof nor any other prospectus, form of application, advertisement, other offering material or other information may be issued, distributed or published in any country or jurisdiction (including the United Kingdom), except in circumstances that will result in compliance with all applicable laws, orders, guidelines and regulations.

None of the Issuer, the Arrangers, the Swap Counterparty or any of their representatives is making any representation to any purchaser of the Notes described by this Prospectus regarding the legality of an investment by such purchaser under appropriate securities, investment or similar laws. Prospective purchasers should consult with their advisers as to the legal, tax, business, financial and related aspects of a purchase of the Notes.

For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Prospectus, see "SUBSCRIPTION AND SALE".

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant and/or other financial adviser.

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

The Notes have not been, and will not be, registered under the Securities Act, and are subject to U.S. tax law requirements or with any securities regulatory authority or any state or other jurisdiction of the United States. The Notes may not be offered, sold or delivered, directly or indirectly, in the United States or to any "US Persons" (within the meaning of Regulation S of the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered for sale outside the United States in accordance with Regulation S under the Securities Act.

The Notes sold on the Closing Date may not be purchased by any person except for persons that are not "U.S. persons" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Persons**"). "**U.S. Risk Retention Rules**" means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section (15G) of the U.S. Securities Exchange Act of 1934, as amended. Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of "U.S. person" in Regulation S. Each purchaser of Notes, including beneficial interests therein will be deemed, and in certain circumstances will be required, to have made certain representations and agreements, including that it (1) is not a Risk Retention U.S. Person (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules.

The Notes may not be offered, or sold within the United States or to, or for the account or benefit of, U.S. Persons or Risk Retention U.S. Persons except (i) pursuant to an exemption from, or in a transaction not subject to the registration requirements of, the Securities Act or, as applicable, (ii) in accordance with an exemption from the U.S. Risk Retention Rules.

The issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules other than the exemption under Section 20 of the U.S. Risk Retention Rules, and no other steps have been taken by the Issuer, the Seller or the Arrangers or any of their affiliates or any other party to accomplish such compliance.

The following legends will appear on all Notes and on all receipts and interest coupons relating thereto:

"NOTICE: THIS NOTE HAS 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 OR SOLD WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE.

EACH HOLDER OF A NOTE OR A BENEFICIAL INTEREST IN A NOTE ACQUIRED IN THE INITIAL DISTRIBUTION OF THE NOTES, BY ITS ACQUISITION OF THIS NOTE WILL BE DEEMED, AND IN CERTAIN CIRCUMSTANCES REQUIRED, TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) IS NOT A "U.S. PERSON" ("**RISK RETENTION U.S. PERSON**") AS DEFINED IN REGULATIONS IMPLEMENTING THE RISK RETENTION REQUIREMENTS OF THE SECTION 156 OF THE U.S. SECURITIES EXCHANGE ACT OF 1934, AS AMENDED ("**U.S. RISK RETENTION RULES**"), (2) IS ACQUIRING THIS NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, OR, IN THE CASE OF A DISTRIBUTOR, WILL ONLY DISTRIBUTE SUCH NOTES TO A PERSON WHO IS NOT A U.S. RISK RETENTION PERSON, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING THIS NOTE THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES."

The sections referred to in the second legend paragraph above provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on the Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

See "SUBSCRIPTION AND SALE".

#### **No Offer to Retail Investors**

The Notes are not intended to be offered or transferred to, or held by, retail investors and this Prospectus has not been prepared for distribution to retail investors.

## AIFMR

The Seller has internal policies and procedures in relation to the granting of credit, administration of credit-risk bearing portfolios and risk mitigation. The policies and procedures of the Seller in this regard broadly include the following:

- a) criteria for the granting of credit and the process for approving, amending, renewing and re-financing credits, as to which please see further the section of the Prospectus headed "Business Procedures of FirstRand Bank Limited acting through its London Branch - Submission of the Financing Contract and Underwriting of the Prospective Obligor";
- b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures, as to which we note that the Portfolio will be serviced in line with the usual servicing procedures of the Seller – please see further the section of the Prospectus headed "Summary of the Principal Transaction Documents - Servicing Agreement";
- c) diversification of credit portfolios given the Seller's target market and overall credit strategy, as to which, in relation to the Portfolio, please see the section of the Prospectus headed "The Provisional Receivables Pool"; and
- d) policies and procedures in relation to risk mitigation techniques, as to which please see further the sections of the Prospectus headed "Business Procedures of FirstRand Bank Limited acting through its London Branch - Collections".

## Volcker Rule

The Issuer will be relying on an exclusion or exemption from the definition of "investment company" under the Investment Company Act of 1940 (the "**Investment Company Act**"), as contained in Section 3(c)(5)(a) of the Investment Company Act, although there may be additional exclusions or exemptions available to the Issuer. The Issuer is of the view that it is not now, and immediately following the issuance of the Notes and the application of the proceeds thereof, will not be a "covered fund" for the purposes of Section 13 of the Bank Holding Company Act of 1956 (and that section's final implementing rules, commonly known collectively as the "Volcker Rule").

## Interpretation

References in this Prospectus to "£", "Sterling" and "Pounds Sterling" are references to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

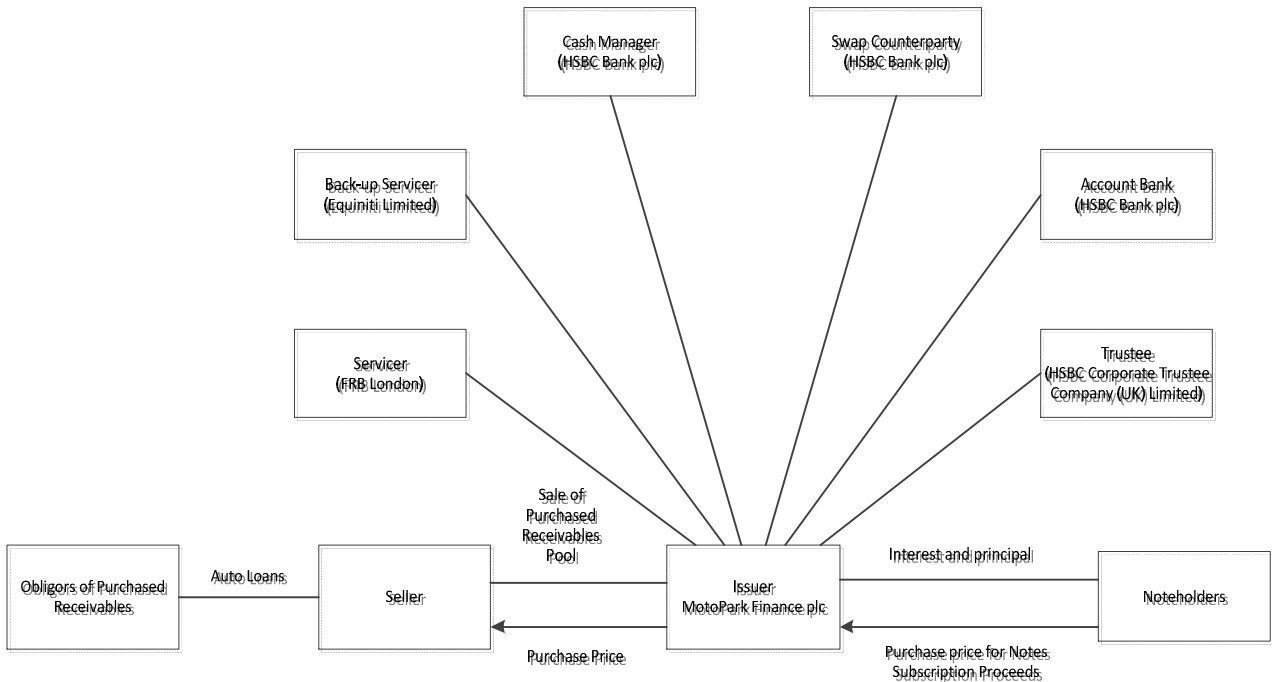
Certain figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Capitalised terms used in this Prospectus, unless otherwise indicated, have the meanings set out in this Prospectus. An index of defined terms appears at the end of this Prospectus in the section headed "GLOSSARY OF DEFINED TERMS".

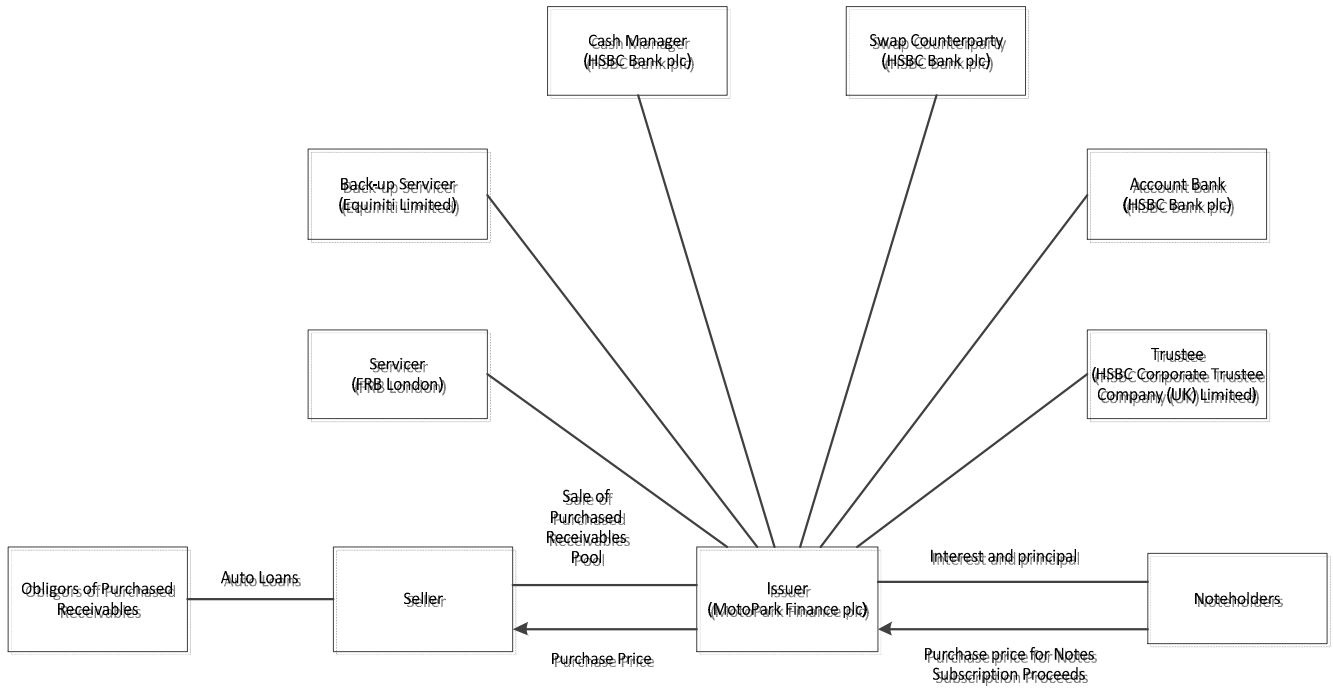
For the purposes of the Prospectus Directive, references to "listing" can be taken to read "admission to trading".

## DIAGRAMMATIC OVERVIEW

### DIAGRAMMATIC OVERVIEW OF THE TRANSACTION

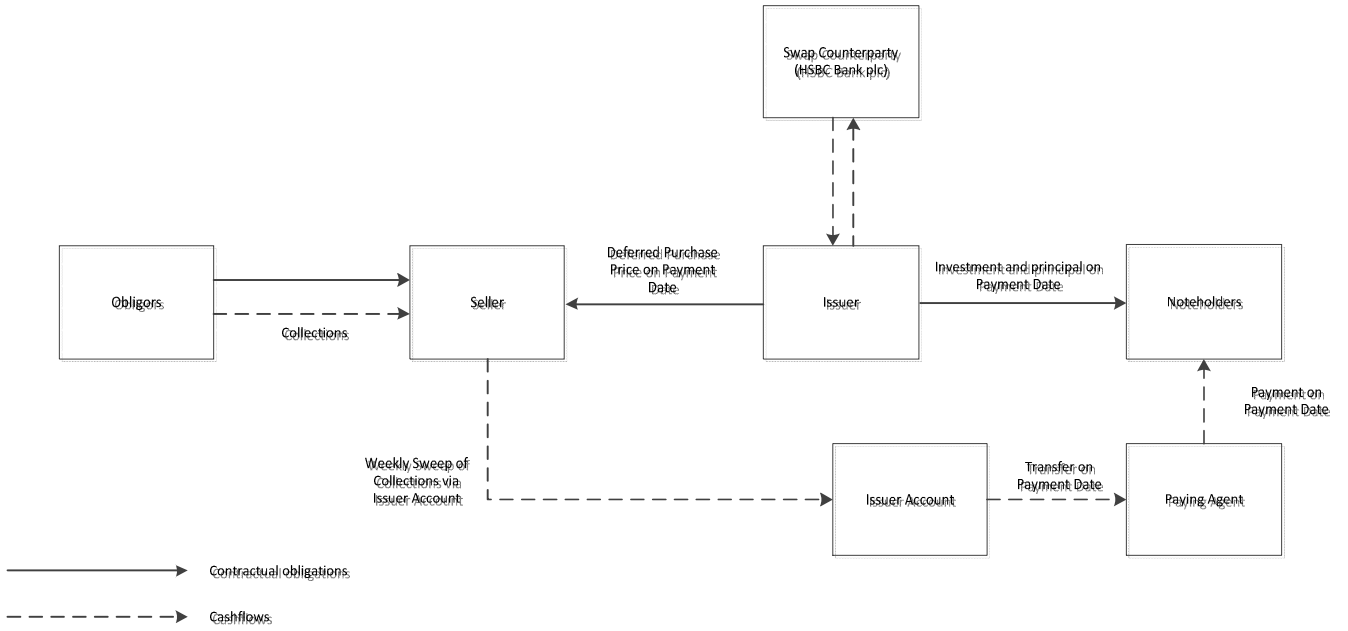


**DIAGRAMMATIC OVERVIEW OF ON-GOING CASH FLOW DURING THE REVOLVING PERIOD**

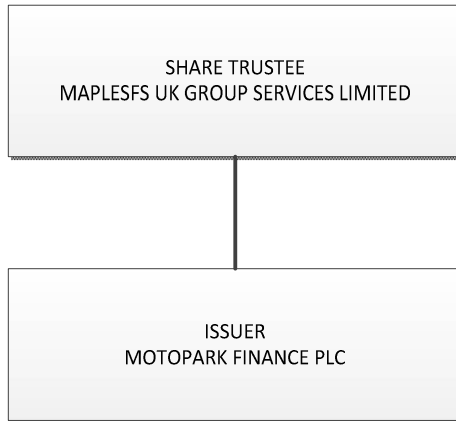


# DIAGRAMMATIC OVERVIEW OF ON-GOING CASH FLOW AFTER REVOLVING PERIOD

## DIAGRAMMATIC OVERVIEW OF ON-GOING CASH FLOW AFTER REVOLVING PERIOD



## OWNERSHIP STRUCTURE DIAGRAM



The entire issued share capital of the Issuer is held on trust by the Share Trustee under the terms of a discretionary trust, the benefit of which is expressed to be for charitable purposes.



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## TRANSACTION OVERVIEW

*The information set out below is an overview of various aspect of the transaction. This overview is not purported to be complete and should be read in conjunction with, and is qualified in its entirety by, references to the detailed information presented elsewhere in this Prospectus.*

### PARTIES ON THE CLOSING DATE

Party	Name	Address	Document under which appointed/Further Information
<b>Arrangers</b>	FirstRand Bank Limited, London Branch	Austin Friars House 2–6, Austin Friars London EC2N 2HD, United Kingdom	N/A
	HSBC Bank plc	8 Canada Square, London E14 5HQ United Kingdom	N/A
<b>Issuer</b>	MotoPark Finance Plc	11th Floor, 200 Aldersgate Street, London EC1A 4HD	N/A. See the section entitled " <i>The Issuer</i> ".
<b>Seller/Originator</b>	FirstRand Bank Limited acting through its London Branch	Austin Friars House 2 – 6, Austin Friars London EC2N 2HD, United Kingdom	N/A. See the sections entitled " <i>The Seller and Servicer</i> " and " <i>Summary of Principal Transaction Documents - Receivables Purchase Agreement</i> ".
<b>Servicer</b>	FirstRand Bank Limited acting through its London Branch	Austin Friars House 2 – 6, Austin Friars London EC2N 2HD, United Kingdom	Servicing Agreement by the Issuer and the Trustee. See the sections entitled " <i>The Seller and Servicer</i> " and " <i>Summary of Principal Transaction Documents - Servicing Agreement</i> ".
<b>Back-up Servicer</b>	Equiniti Gateway Limited	42-50 Hersham Road Walton-on-Thames Surrey KT12 1RZ United Kingdom	Back-up Servicing Agreement by the Issuer and the Trustee. See the sections entitled " <i>The Back-up Servicer</i> " and " <i>Summary of Principal Transaction Documents - Back-up Servicing Agreement</i> ".
<b>Cash Manager</b>	HSBC Bank plc	8 Canada Square, London E14 5HQ United Kingdom	Cash Management Agreement by the Issuer. See the section entitled " <i>Summary of Principal Transaction Documents - Cash Management Agreement</i> ".

<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed/Further Information</b>
<b>Swap Counterparty</b>	HSBC Bank plc	8 Canada Square London E14 5HQ United Kingdom	Swap Agreement by the Issuer. See the sections entitled " <i>Swap Counterparty</i> " and " <i>Summary of Principal Transaction Documents - Swap Agreement: Interest Rate Swap Agreement</i> ".
<b>Account Bank</b>	HSBC Bank plc	8 Canada Square, London E14 5HQ United Kingdom	Account Agreement by the Issuer. See the sections entitled " <i>Account Bank</i> " and " <i>Summary of Principal Transaction Documents - Account Agreement</i> ".
<b>Trustee</b>	HSBC Corporate Trustee Company (UK) Limited	8 Canada Square, London E14 5HQ United Kingdom	Trust Deed and Deed of Charge by the Issuer. See the Conditions and the section entitled " <i>Summary of Principal Transaction Documents - Trust Deed</i> ".
<b>Paying Agent</b>	HSBC Bank plc	8 Canada Square, London E14 5HQ United Kingdom	Paying Agency Agreement by the Issuer. See the section entitled " <i>Summary of Principal Transaction Documents - Paying Agency Agreement</i> ".
<b>Agent Bank</b>	HSBC Bank plc	8 Canada Square, London E14 5HQ United Kingdom	Paying Agency Agreement by the Issuer. See the section entitled " <i>Summary of Principal Transaction Documents - Paying Agency Agreement</i> ".
<b>Corporate Services Provider</b>	Maples Fiduciary Services (UK) Limited	11th floor, 200 Aldersgate Street London, EC1A 4HD United Kingdom	Corporate Services Agreement by the Issuer. See the section entitled " <i>Summary of Principal Transaction Documents - Corporate Services Agreement</i> ".
<b>Share Trustee</b>	MaplesFS UK Group Services Limited	11th floor, 200 Aldersgate Street London, EC1A 4HD United Kingdom	Declaration of Trust
<b>Listing Agent</b>	Walkers Listing Services Limited	17-19 Sir John Rogerson's Quay Dublin 2 Ireland	N/A
<b>Class A and B Note Purchaser</b>	FirstRand Bank Limited acting through its London Branch	Austin Friars House 2 – 6, Austin Friars London EC2N 2HD, United Kingdom	Class A and B Note Purchase Agreement. See the section entitled " <i>Subscription and Sale</i> ".

<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed/Further Information</b>
<b>Class C and D Note Purchaser</b>	FirstRand International Limited	La Plaiderie House, St Peter Port, Guernsey GY1 4NL, Channel Islands	Class C and D Note Purchase Agreement. See the section entitled " <i>Subscription and Sale</i> ".
<b>Listing Authority and Stock Exchange</b>	Irish Stock Exchange	28 Anglesea Street, Dublin 2, Ireland	N/A
<b>Clearing Systems/ICSDs</b>	Euroclear	1 Boulevard du Roi, Albert II, B-1210 Brussels, Belgium	N/A
	Clearstream, Luxembourg	42 Avenue JF Kennedy, L-1855 Luxembourg	N/A
<b>Rating Agencies</b>	Standard & Poor's Credit Market Services Europe Limited	20 Canada Square, Canary Wharf, London E14 5LH, United Kingdom	N/A
	DBRS Ratings Limited	20 Fenchurch Street 31st Floor, London EC3M 3BY United Kingdom	N/A

## **RISK FACTORS**

THE PURCHASE OF CERTAIN NOTES MAY INVOLVE SUBSTANTIAL RISKS AND BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE NOTES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES ALL THE INFORMATION SET FORTH IN THIS PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW. PROSPECTIVE INVESTORS SHOULD MAKE SUCH INQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE ISSUER, ANY ARRANGER, THE SELLER OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS.

The following is a summary of certain aspects of the Notes of which prospective investors should be aware. This summary is not intended to be exhaustive and prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

### **1. Historical and Other Information**

The historical, financial and other information set out in particular in "DESCRIPTION OF THE PURCHASED RECEIVABLES" and "HISTORICAL PERFORMANCE DATA" is based on the historical experience and present procedures of FRB London. None of the Issuer, the Swap Counterparty, the Arrangers, the Cash Manager, the Trustee, the Paying Agent, the Corporate Services Provider the Agent Bank, the Account Bank, the Back-Up Servicer nor the Listing Agent has undertaken or will undertake any investigation or review of, or search to verify, the historical information. Historical performance is not a reliable indicator of future performance. There can be no assurances as to the future performance of the Purchased Receivables.

### **2. Risk of Late Payment of Monthly Instalments**

The performance of the Purchased Receivables depends on a number of factors, including general economic conditions, unemployment levels and the circumstances of individual Obligor. While each Purchased Receivable may have due dates for scheduled payments thereunder there is no assurance that the Obligor will pay on time, entirely or at all.

The risk of late payment by Obligor is in part mitigated by the Cash Reserve Amount to the extent that funds are available in the Cash Reserve Account. On the Closing Date the Initial Cash Reserve Amount will be equal to 0.7% of the Aggregate Initial Cut-Off Date Principal Balance. Whilst it will increase to an amount equal to 1.3% of the Aggregate Initial Cut-Off Date Principal Balance, if Obligor continuously make late payments, the Cash Reserve Amount may eventually be insufficient to enable the Issuer to meet its obligation to pay interest on the Notes.

### **3. Risk of Early Repayment**

In the event that, after the termination of the Revolving Period, the Financing Contracts underlying the Purchased Receivables are prematurely terminated or otherwise settled early, the principal repayment of the Notes may be earlier than expected and, therefore, the yield to maturity on the Notes may be adversely affected by a higher or lower than anticipated rate of Prepayment of the Purchased Receivables. The rate of Prepayment of Purchased Receivables cannot be predicted and is influenced by a wide variety of economic and other factors, including prevailing interest rates, the buoyancy of the vehicle finance market, the availability of alternative financing and local and regional economic conditions. Therefore, no assurance can be given as to the level of Prepayment that the Portfolio will experience. See "ESTIMATED WEIGHTED AVERAGE LIFE OF THE RATED NOTES".

### **4. Changing Characteristics of the Purchased Receivables during the Revolving Period**

During the Revolving Period, the amounts that would otherwise be used to repay the principal under the Notes may be used to purchase additional Receivables from FRB London. The Initial Purchased Receivables and Additional Purchased Receivables may also be prepaid or default during the Revolving Period, and therefore the characteristics of the Portfolio may change after the Closing Date, and could be substantially different at the end of the Revolving Period from the characteristics of the pool of Initial Purchased Receivables. These differences could result in faster or slower repayments or greater losses on the Notes.

Because of payments on the Purchased Receivables and the purchase of Additional Purchased Receivables during the Revolving Period, concentrations of Obligor in the pool may be substantially different from the concentration that exists

as of the Closing Date. Such concentration or other changes of the pool could adversely affect the delinquency, or credit loss, of the Purchased Receivables.

## **5. Rights in relation to the Purchased Receivables**

Pursuant to the Issuer Security, the Issuer will grant security over its rights in and to the Receivables. The Trustee and the Issuer will rely on the Servicer to enforce any rights under the Financing Contracts and to carry out its obligations under the Servicing Agreement.

FRB London will undertake for the benefit of the Issuer that it will not take any steps in relation to the Financing Contracts otherwise than in accordance with its Customary Operating Practices in order to perform its duties under the Servicing Agreement, and that it will lend its name to, and take such other steps as may be required by the Issuer or the Trustee in relation to, any action (whether through the courts or otherwise) in respect of the Financing Contracts.

Each Financing Contract requires the Obligor to take out and maintain comprehensive vehicle insurance in the Obligor's name. FRB London does not have a registered interest with the insurer although each Obligor assigns the benefit of any insurance proceeds to FRB London pursuant to each Financing Contract. In case of an insurance claim following an accident the consequence of which was the Financed Object being fully written-off, the Obligor claims from the insurer and then is obliged to pass the proceeds on to FRB London. Where the proceeds in the claim are insufficient to repay in full amounts owed to FRB London by the Obligor under the Financing Contract, FRB London will look to the Obligor to pay the difference. It should be noted that there cannot be certainty that such insurance has in fact been taken out or maintained or that any proceeds from such insurance will be available to FRB London, the Issuer or the Trustee.

## **6. Potential Adverse Changes to the Value and/or Composition of the Portfolio**

No assurances can be given that the respective values of the Financed Objects to which the Portfolio relates have not depreciated or will not depreciate at a rate greater than the rate which they were expected to do so on the date of origination of the Receivables. If this has happened or happens in the future, or if the new and used car market in the United Kingdom or any parts thereof (whether in respect of particular vehicle brands or vehicles more generally (for example, due to a movement away from diesel engines)) should experience a downturn, or if there is a general deterioration of the economic conditions in the United Kingdom or any parts thereof, then any such scenario could have an adverse effect on (i) the ability of Obligors to repay amounts under the relevant Financing Contracts and/or (ii) the likely amount to be recovered upon a forced sale of the Financed Objects upon default by Obligors and/or (iii) the exercise of a voluntary termination by the Obligor under a Financing Contract or the exercise by the Obligor of its option to return the Financed Object to the Seller pursuant to a PCP Contract in lieu of a final balloon payment (including through the return of the relevant Financed Object to a dealer for sale or exchange for a new vehicle in each case at the Guaranteed Future Value with the proceeds of such sale or part exchange then being used towards settling the remaining balance under the relevant Financing Contract). In this context, vehicle recalls by a manufacturer and other actions that manufacturers may take or have taken, whether voluntarily or as required by applicable law, may adversely affect the consumer demand for, and the values of, the motor vehicles produced by these manufacturers, which may either depress the price at which repossessed motor vehicles may be sold or delay the timing of those sales.

If the prices at which the related vehicles may be sold decline, or if there is any delay in the sale of such vehicles, or if the payment behavior of the Obligors on the related receivables deteriorates, this could have an adverse effect on the Issuer's ability to make payments under the Notes.

In order to mitigate this risk, Receivables relating to Financing Contracts where the vehicle the subject of such Financing Contract is a Designated Vehicle (being a diesel-engine vehicle manufactured or branded by Volkswagen and shall include, for the avoidance of doubt, any diesel-engine Volkswagen, Seat, Porsche, Skoda, Audi, Bentley, Bugatti and Lamborghini) shall be equal to or less than 22% of the Aggregate Principal Balance of the Purchased Receivables in the Portfolio, and the Seller will represent and warrant accordingly. According to information provided by the Seller, 13.9% of the Aggregate Initial Cut-Off Date Principal Balance relates to Financing Contracts entered into in respect of Designated Vehicles.

## **7. Right to Vehicles and reliance on residual value (PCP Contracts)**

Under Financing Contracts which are PCP Contracts, at the end of the term of the PCP Contract an Obligor may either settle the contract by paying the final balloon payment (the Final Payment Amount) plus an Option to Purchase Fee (if any) and thereby purchase the vehicle, or, subject to the Obligor having paid all payments due (including any interest, excess mileage charges, recovery charges and/or repair charges) and complied with all terms and conditions under the

Financing Contract, return the vehicle to the Seller in full and final settlement of the PCP Contract. The Final Payment Amount represents the anticipated value, determined at the inception of the PCP Contract, of the vehicle at the end of the PCP Contract (the Minimum Guaranteed Future Value), as determined by the Seller with reference to the CAP Gold Book, a market standard tool for vehicle valuations.

Where the Obligor chooses to purchase the vehicle, title in the vehicle passes to the Obligor when the Obligor pays the Final Payment Amount plus any additional Option to Purchase Fee to the Servicer (and such Final Payment Amount and any Option to Purchase Fee shall form part of the Collections).

Where the Obligor instead chooses to return the vehicle (a Redelivered Vehicle), the vehicle will be inspected by an independent inspection agent to assess the vehicle's condition, maintenance and mileage. Any necessary repair charges or excess mileage charges will be payable by the Obligor. The Servicer will then sell the vehicle at auction and the sale proceeds net of any costs incurred by the Servicer in connection with the sale (the PCP Recoveries) will be credited by FRB to the Collection Account, to be remitted to the Issuer.

The Issuer will be exposed to the risk that for PCP Contracts where the Obligor chooses to return the vehicle, the sale proceeds recoverable from the auction sale of the returned vehicle may be less than the anticipated Minimum Guaranteed Future Value of the vehicle determined at the outset of the Financing Contract and which would otherwise have been paid directly by the Obligor as the Final Payment Amount if the Obligor had decided to instead purchase the vehicle.

A decision of the Obligor whether to make the Final Payment Amount plus any Option to Purchase Fee or return the vehicle in lieu of such payment may be dependent in part on the size of the Final Payment Amount and the price that the vehicle is likely to obtain when sold. If the Final Payment Amount is greater than the market value of the vehicle at the end of the PCP Contract, the Obligor may be more likely to return the vehicle as it discharges any further obligations the Obligor may have under the Financing Contract (subject always to compliance with obligations to take reasonable care of the vehicle and any compensatory payments regarding the same, including the payment of any repair or excess mileage charges). If the PCP Recoveries remitted to the Issuer from the sale of a Redelivered Vehicle under a PCP Contract in lieu of a Final Payment Amount is insufficient to cover the purchase price paid by the Issuer for the related Purchased Receivables less any amounts received in respect of any Principal Balance from the relevant Obligor prior to the date of termination by the Obligor, then this would result in the Issuer receiving less in respect of the related Purchased Receivable than it would have expected, which could impact on the ability of the Issuer to make payments on the Notes.

To mitigate risk in PCP Contracts, the Seller takes a conservative approach to determining the Minimum Guaranteed Future Value and the Final Payment Amount based on certain contractual mileage assumptions using the CAP Gold Book. Any customers taking advantage of the right to return the vehicle will be charged for any excess mileage or repairs above the contracted rate and any excessive wear and tear.

#### **8. The Revolving Period may end if FRB London is unable to originate Additional Receivables.**

During the Revolving Period, no principal will be paid to the Noteholders. Instead, on each Payment Date during the Revolving Period, amounts may be used to purchase Additional Purchased Receivables in accordance with the Pre-Enforcement Order of Priority. If such amounts are not applied to purchase Additional Purchased Receivables, then they will be credited to the Issuer Account and recorded on the Replenishment Ledger up to the Replenishment Amount. If an Amortisation Event occurs, the Revolving Period will terminate and the amortisation period will commence.

FRB London does not, as of the date of this Prospectus, expect any shortage in availability of Additional Receivables. However, FRB London is not obliged to sell any Additional Purchased Receivables during the Revolving Period. If FRB London is unable to originate additional Receivables or if it does not sell Additional Purchased Receivables, then the Revolving Period will terminate earlier than expected (subject to time and cash tests), in which case the Noteholders will receive payments of principal on the Notes earlier than expected.

#### **9. United Kingdom's exit from the European Union**

On 23 June 2016, the United Kingdom ("UK") held a referendum on the UK's membership of the EU. The result of the referendum's vote was to leave the EU, which creates several uncertainties within the UK, and regarding its relationship with the EU. On 29 March 2017, the UK served notice in accordance with Article 50 of the Treaty on European Union of its intention to withdraw from the EU. The notification of withdrawal started a two-year process during which the terms of the UK's exit will be negotiated, although this period may be extended in certain circumstances.

The result and the resulting negotiations are likely to generate further increased volatility in the markets and economic uncertainty which could adversely affect one or more of the Transaction Parties (including the Originator and/or the

Servicer) and/or any Obligor in respect of the Financing Contracts. Until the terms and timing of the UK's exit from the EU are confirmed, it is not possible to determine the full impact that the referendum, the UK's departure from the EU and/or any related matters may have on general economic conditions in the UK.

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 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.

#### **10. Eligibility of the Notes for Bank of England's Discount Window Facility**

Certain investors in the Notes may wish to consider the use of the Notes as eligible securities for the purposes of the Bank of England's Discount Window Facility ("**DWF**"). Recognition of the Notes as eligible securities for the purposes of the DWF will depend upon satisfaction of the eligibility criteria as specified by the Bank of England. If the Notes do not satisfy the criteria specified by the Bank of England, there is a risk that the Notes will not be eligible DWF collateral. None of the Issuer, the Arrangers nor any other Transaction Party give any representation, warranty, confirmation or guarantee to any investor in the Notes that the Notes will, either upon issue, or at any or all times during their life, satisfy all or any requirements for the DWF eligibility and be recognised as eligible DWF collateral. Any potential investors in the Notes should make their own determinations and seek their own advice with respect to whether or not the Notes constitute eligible DWF collateral.

#### **11. Losses on the Purchased Receivables**

The risk for the Class A Noteholders that they will not receive the amount due to them under the Class A Notes as stated on the cover page of this Prospectus is addressed by the credit support provided by the Cash Reserve Amount, by the deferment of an amount of consideration payable to the Seller on the sale of Initial Purchased Receivables and Additional Purchased Receivables (the Deferred Purchase Price), and by the subordination of the Class B Notes, the Class C Notes and the Class D Notes.

The risk for the Class B Noteholders that they will not receive the amount due to them under the Class B Notes as stated on the cover page of this Prospectus is addressed by the credit support provided by the Cash Reserve Amount to the extent the Class A Noteholders are not entitled to such amounts, by the deferment of an amount of consideration payable to the Seller on the sale of Initial Purchased Receivables and Additional Purchased Receivables (the Deferred Purchase Price), and by the subordination of the Class C Notes and the Class D Notes.

The risk for the Class C Noteholders that they will not receive the amount due to them under the Class C Notes as stated on the cover page of this Prospectus is addressed by the credit support provided by the Cash Reserve Amount, to the extent the Class A Noteholders and the Class B Noteholders are not entitled to such amounts, by the deferment of an amount of consideration payable to the Seller on the sale of Initial Purchased Receivables and Additional Purchased Receivables (the Deferred Purchase Price), and by the subordination of the Class D Notes.

However, the levels of delayed payment or non-payment in respect of the Purchased Receivables may exceed those assumed for the purposes of determining the credit structure and the sizing of the different components thereof. Accordingly there is no assurance that the Class A Noteholders will receive for each Class A Note the total principal amount plus interest at the Class A Notes Interest Rate on a timely basis or at all, nor that the distributions which are made will correspond to the monthly payments originally agreed upon in the underlying Financing Contracts.

Similarly, there is no assurance that the Class B Noteholders will receive for each Class B Note the total principal amount plus interest at the Class B Notes Interest Rate on a timely basis or at all, nor that the distributions which are made will correspond to the monthly payments originally agreed upon in the underlying Financing Contracts.

There is also no assurance that the Class C Noteholders will receive for each Class C Note the total principal amount plus interest at the Class C Notes Interest Rate on a timely basis or at all, nor that the distributions which are made will correspond to the monthly payments originally agreed upon in the underlying Financing Contracts.

There is also no assurance that the Class D Noteholders will receive for each Class D Note the total principal amount plus interest at the Class D Notes Interest Rate on a timely basis or at all, nor that the distributions which are made will correspond to the monthly payments originally agreed upon in the underlying Financing Contracts.

#### **12. Financing Contracts**

The Issuer does not have any rights in, over or to the Financed Object itself - it only has rights in connection with the sale



proceeds of the Financed Object. Accordingly, in the event of any insolvency of FRB London, the Issuer is reliant on any administrator or liquidator of FRB London taking appropriate steps to sell such Financed Object. Because the sale proceeds have been assigned to the Issuer, this will be of no value to FRB London's creditors as a whole and therefore an administrator or liquidator will not have any financial incentive to take such steps. This risk is mitigated by the inclusion of a provision in the Servicing Agreement providing that the Issuer will pay, in accordance with the Priority of Payments, any administrator or liquidator's costs and expenses in selling such Financed Objects and an Administrator Recovery Incentive; however there can be no certainty that any administrator or liquidator would take such actions and no contractual obligations on FRB London to do so that would be enforceable against FRB London or an administrator or liquidator thereof after the commencement of the administration or liquidation of FRB London.

### **13. Market for Receivables**

The ability of the Issuer to redeem all the Notes in full, including after the occurrence of an Enforcement Event, whilst any of the Purchased Receivables remain outstanding, may depend on whether the Receivables can be sold, otherwise realised or refinanced by the Issuer or the Trustee so as to obtain a sufficient amount available for the distribution to enable the Issuer to redeem the Notes. There is no active and liquid secondary market for hire purchase receivables in the United Kingdom and no assurance can be given as to whether it might develop. It might be, therefore, that none of the Issuer or the Trustee is able to sell, otherwise realise or refinance the Receivables on appropriate terms should it be necessary for it to do so.

### **14. Credit Risk of the Parties**

The ability of the Issuer to meet its obligations to pay any principal and interest payments in respect of the Notes (and its operating and administration expenses) depends to a large extent upon the ability of the parties to the Transaction Documents to perform their contractual obligations. In particular, and without limiting the generality of the foregoing, the timely payment of amounts due in respect of the Notes depends on the ability of the Servicer to service the Purchased Receivables, on the maintenance of the level of interest rate protection offered by the Swap Agreement and on the creditworthiness of the Account Bank at which the Issuer Account and the Cash Reserve Account are held, although, in respect of the Rated Notes, the amounts standing to the credit of the Cash Reserve Account from time to time is intended to mitigate this risk to an extent. In this respect, it should be noted that the Account Bank is required to have certain minimum ratings (see "SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS - ACCOUNT AGREEMENT") and that, if the Account Bank is downgraded below such minimum ratings, the Issuer will have an obligation to find a substitute account bank with the requisite rating and move the Accounts to such bank or to enter into a guarantee with another bank with the requisite rating.

### **15. Equitable Assignment**

Assignment by the Seller to the Issuer of the benefit of the Purchased Receivables and Ancillary Rights derived from Financing Contracts governed by the laws of England and Wales will take effect in equity only because no notice of the assignment will be given to Obligor.

The giving of notice to the Obligor of the Seller's assignment (whether directly or indirectly) to the Issuer would have the following consequences:

- a) notice to the Obligor would "perfect" the assignment so that the Issuer would take priority over any interest of a later encumbrance or assignee of FRB London's rights who has no notice of the assignment to the Issuer;
- b) notice to the Obligor would mean that the Obligor should no longer make payment to FRB London as creditor under the Financing Contract but should make payment instead to the Issuer. If the Obligor were to ignore a notice of assignment and pay FRB London for its own account, the Obligor might still be liable to the Issuer for the amount of such payment. However, for so long as FRB London remains the Servicer under the Servicing Agreement it is also the agent of the Issuer for the purposes of the collection of the Purchased Receivables and will, accordingly, be accountable to the Issuer for any amount paid to it in respect of the Purchased Receivables;
- c) notice to the Obligor would prevent FRB London and the Obligor amending the relevant Financing Contract without the involvement of the Issuer. However, FRB London will undertake for the benefit of the Issuer that it will not waive any breach under, or amend the terms of, any of the Financing Contracts, other than in accordance with its Customary Operating Practices; and
- d) lack of notice to the Obligor means that the Issuer will have to join FRB London as a party to any legal action which the Issuer may want to take against any Obligor. The Seller will, however, undertake for the benefit of the

Issuer that it will lend its name to, and take such other steps as may be required by the Issuer, the Trustee or the Servicer in relation to any action in respect of the Purchased Receivables.

Until notice is given to the Obligor, equitable set-offs (such as for misrepresentation or breach of contract as referred to in "*Liability For Dealer's Misrepresentations And Breach Of Contract*" at paragraph 18 below) may accrue in favour of the Obligor in respect of his obligation to make payments under the relevant Financing Contract. These may, therefore, result in the Issuer receiving less monies than anticipated from the Purchased Receivables. The assignment of any Purchased Receivables to the Issuer will be subject both to any prior equities which have arisen in favour of the Obligor and to any equities which may arise in the Obligor's favour after the assignment until such time (if ever) as he receives actual notice of the assignment. If an Obligor claims that a right of set-off or counterclaim has arisen in his favour against FRB London and fails to pay in full all amounts due from him under his Financing Contract and FRB London reasonably determines that the claim is valid, FRB London will indemnify the Issuer against the amount set-off or counterclaimed by such Obligor.

Notification Events have been put in place in the transaction to mitigate the risk deriving from the equitable assignment but there can be no certainty as to the timing and effectiveness of such Notification Events.

## **16. Compliance with Consumer Credit regime under the FCA**

In December 2012, the UK Parliament passed the Financial Services Act 2012 (the "**FS Act**"), which created a new regulatory framework for the supervision and management of the banking and financial services industry in the United Kingdom, including the consumer lending industry. It also contained provisions enabling the transfer of regulation of credit agreements regulated by the CCA from the Office of Fair Trading ("**OFT**") to the Financial Conduct Authority ("**FCA**"). The relevant secondary legislation was enacted in 2013 and 2014 and the transfer was effected on 1 April 2014.

The FCA regime presents consumer credit firms with a complicated and challenging compliance burden, which is substantially different to the governance of the OFT. In order to comply with the FCA regime, and given FRB London is already authorised by the Prudential Regulation Authority ("**PRA**") and regulated by the FCA and the PRA, FRB London has received permission from the PRA/FCA in order to provide consumer credit and related activities. In order to obtain such a licence FRB London was required to demonstrate that it satisfies and continues to satisfy certain minimum standards set out in the FSMA, including certain specified "Threshold Conditions".

The Financial Services and Markets Act 2000 ("**FSMA**") gives the FCA the power to authorise, supervise, and bring enforcement actions against lenders, as well as to make rules for the regulation of consumer credit. The Consumer Credit sourcebook ("**CONC**") contained in the FCA Handbook incorporates prescriptive regulations for lenders such as FRB London, mandatory affordability checks on borrowers, restricting how lenders can advertise as well as pre and post-contract requirements. The provisions of the CONC took effect from 1 April 2014.

Specifically, from 1 April 2014, all consumer credit firms must comply with the FCA's high level conduct standards, such as the Principles for Businesses. Of particular relevance is the requirement to pay due regard to the interests of customers and treat them fairly. These principles sit behind detailed FCA rules and must be complied with by authorised consumer credit firms such as FRB London. The FCA has the power to stop firms providing regulated financial services and can levy fines for breaches of FCA rules and other legal requirements, including the CCA and the FSMA. The FCA states that its strategy is to use these powers to achieve "credible deterrence". Credible deterrence means that the FCA will try to improve standards by showing there are meaningful consequences to breaking FCA rules.

As such, this regime could result in a greater likelihood of enforcement against firms which breach consumer credit rules and regulations.

Additionally, a customer who is a private person may be entitled to claim damages for loss suffered as a result of any contravention by an FCA authorised firm of a rule under the FSMA. This would include a breach of a rule in CONC.

## **17. Financing Contracts regulated by the UK's consumer credit regime including, the Consumer Credit Act 1974 (as amended)**

A credit agreement is regulated by the CCA, FSMA and FCA rules where: (a) the customer is or includes an individual (which includes certain small partnerships and certain unincorporated associations); (b) the amount of credit does not exceed any applicable financial limit in force when the credit agreement was made (from 6 April 2008, no applicable financial limit is in force; and (c) the credit agreement is not an exempt agreement (for example, certain credit agreements for business purposes with an amount of credit exceeding £25,000 are exempt agreements).

The UK consumer credit regime also regulates the entering into of regulated consumer hire agreements as owner and certain ancillary consumer credit activities, such as credit broking.

The application of the CCA to the Financing Contracts which are regulated by the FSMA, the CCA and related legislation (the "**Regulated Financing Contracts**") will have several consequences including, but not limited to, the following:

- a) The Regulated Financing Contract has to comply with licensing and origination requirements. If it does not comply with these requirements then the Regulated Financing Contract may be unenforceable against the Obligor: (a) without an order of the FCA or the court (depending on the facts), if FRB London or any broker did not hold the required licence or authorisation at the relevant time; or (b) without a court order, if other origination requirements as to pre-contract disclosure, documentation and procedures are not complied with and, in exercising its discretion whether to make the order, the court has regard to any prejudice suffered by the Obligor and any culpability by FRB London.
- b) The Obligor is entitled to terminate a Regulated Financing Contract before the final payment under the relevant Regulated Financing Contract falls due under section 99 of the CCA. Please note that in accordance with this section, the Obligor does not get to keep the goods upon termination of the Regulated Financing Contract. Rather, the Obligor must return the goods. If an Obligor fails to return the goods then proceedings may need to be issued for a return of goods order.
- c) The Obligor is entitled to terminate the Regulated Financing Contract, and to exercise an option to keep the goods financed by the Regulated Financing Contract, by giving notice and paying the applicable amount payable on early settlement. The amount payable by the Obligor on early settlement of the Regulated Financing Contract is restricted by a formula under the CCA. In the case of a Regulated Financing Contract, a rebate may be due to the Obligor in early settlement. However, this rebate is only available in circumstances specified in regulations made under the CCA. For example, the right to a rebate is not available in the event that the Obligor has exercised his rights under section 99 of the CCA (see paragraph (b) above).
- d) In addition, from 1 February 2011, pursuant to Regulation 30 of the Consumer Credit (EU Directive) Regulations 2010 (the "**EU Directive Regulations**"), amending section 94 of the CCA, the Obligors under a Regulated Financing Contract have a right to make partial early repayments of the Regulated Financing Contract. One or more partial early repayment(s) may be made at any time during the life of the relevant Regulated Financing Contract, subject to the Obligor taking certain steps as outlined in EU Directive Regulation 30(4) and implemented into section 94(4) of the CCA. The provisions on partial early settlement are largely the same as those for full early settlement and the framework operates in a similar way.
- e) If, with regards to a Regulated Financing Contract, certain default or enforcement proceedings are taken or notice of early termination is served on an Obligor, the Obligor can apply to the court under section 129 of the CCA for a time order to change the timing of payments under his Regulated Financing Contract or to repay the outstanding sum by lower instalments than provided for in his Regulated Financing Contract. Under the provisions of the CCA the court has a wide discretion to make an order incorporating such amendments to the relevant Regulated Financing Contract as it considers fit, in order to achieve the objectives of the time order.
- f) If a Regulated Financing Contract has been "improperly executed" (as such term is used in the CCA) or improperly modified in accordance with the provisions of the CCA, it may be unenforceable unless a court order has been obtained. For example, a Regulated Financing Contract may be unenforceable in circumstances where (i) there is no Regulated Financing Contract signed by the Obligor; (ii) the broker or creditor did not hold the relevant licence or authorisation at the relevant time and/or (iii) the form and content of the agreement do not conform with the relevant pre-contract disclosure requirements, documentation and procedure requirements under the CCA, FCA rules and other applicable legislation. To mitigate this risk, FRB London has provided certain representations and warranties with regard to the Purchased Receivables, as described in more detail in the section entitled "SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS - Receivables Purchase Agreement".
- g) FRB London has to comply with servicing requirements. For example, FRB London is required to comply with specific requirements regarding variation of the Regulated Financing Contracts and the provision of such information as periodic statements, arrears notices and default notices. Failure to comply with such requirements could result in the Regulated Financing Contract becoming unenforceable (although depending on the circumstances, such unenforceability may only last while the default continues or until compliance is achieved). Further, the Obligor is not liable to pay interest or default fees for any period when FRB London fails to comply

with requirements as to periodic statements or arrears notices.

- h) The Obligor is not liable to pay default interest (i.e. interest on sums unpaid in breach of the credit agreement) at a higher rate than the non-default interest rate or (where the non-default interest rate is 0 per cent.) at a higher rate than the annual percentage rate of the total charge for credit (the "**APR**").
- i) The court has power to give relief to the Obligor. For example, the court may: (a) make a time order, giving the Obligor time to pay arrears or to remedy any other breach; (b) impose conditions on, or suspend, any order made by the court in relation to the credit agreement; and (c) amend the Regulated Financing Contract in consequence of a term of an order made by the court under the CCA.
- j) The court has power in certain circumstances to determine that the relationship between FRB London and the Obligor arising out of the Regulated Financing Contract (whether alone or with any related agreement) is unfair to the Obligor (s.140A CCA). If the court makes the determination, then it may make an order pursuant to s.140B of the CCA, among other things, requiring the originator, or any assignee such as the Issuer, to repay any sum paid by the Obligor by virtue of the Regulated Financing Contract or any related contract. In deciding whether to make the determination, the court is required to have regard to all matters it thinks relevant, including FRB London's conduct before and after making the credit agreement, and may make the determination even after the relationship has ended. Once the Obligor alleges that an unfair relationship exists, the burden of proof is on FRB London to prove the contrary.

The Supreme Court's judgment in the case of *Plevin v Paragon* [2014] UKSC 61 ("**Plevin**") clarified that compliance with the relevant regulatory rules by the creditor (or a person acting on behalf of the creditor) does not preclude a finding of unfairness under s.140A of the CCA, as a wider range of considerations may be relevant to the fairness of the relationship than those which would be relevant to the application of the rules. The *Plevin* case also introduced the concept that a relationship was unfair under s.140A of the CCA due to the non-disclosure of the amount of the commission for selling PPI contained within the cost of PPI. The Supreme Court found the relationship unfair because the commission was so high that it was unfair not to have disclosed it to Mrs Plevin who was kept in ignorance. As a consequence, the court ordered the creditor to return all of the undisclosed commission to Mrs Plevin, but rejected her claim that the full cost of the PPI should be refunded.

In November 2015, the FCA published its Consultation Paper CP 15/39 entitled "Rules and guidance on payment protection insurance complaints" which, amongst other things, consulted on introducing new rules and/or guidance on how firms should handle relevant PPI claims in light of the *Plevin* judgment. In August 2016, the FCA published its feedback on CP 15/39 in its Consultation Paper CP 16/20. Following further consultation in 2016, the FCA issued their final rules and guidance in a Policy Statement (PS17/3) under which the FCA set a practical deadline of 29 August 2019 for consumers to complain about the way they were sold PPI and issued new rules and guidance on the handling of PPI complaints in light of the Supreme Court's decision in *Plevin*. The new rules and guidance for handling PPI claims came into effect on 29 August 2017.

In accordance with the FCA guidance and *Plevin*, a person who has bought PPI may have two routes under which they might be eligible to claim back the money paid for the PPI policy: (a) where the PPI was mis-sold or (b) following *Plevin*, where the bank or other provider earned a high level of commission from the sale of PPI but did not disclose this to the person at the time the PPI was purchased.

The time frame in which a person may bring a PPI claim is complex in view of statutory limitation periods and the FCA guidance and 2019 deadline. It is not clear whether a person can bring a claim after the FCA's long stop date for complaints of 29 August 2019. It is possible for a person to bring a claim for mis-selling up to 6 years from the end of the relationship and up to 12 years for claims made under s.140A for an 'unfair relationship'. Further, the FCA has also set out that a person may have 3 years from the date, if any, at which time they became aware, or reasonably ought to have become aware that they had potential grounds to complain.

If a person has previously complained about the mis-selling of PPI and has received a refund of some or all of the premium they paid for the PPI, then he or she will not be able to recover any more money should he or she complain about the amount of commission earned from the sale of the PPI. This is because that person will already have recovered his or her loss and a double recovery is not permitted.

The FCA has given no specific indication that it will extend the *Plevin* PPI complaints rules and guidance to undisclosed commissions in relation to other kinds of insurance, for example, GAP insurance. It is possible that a

person may make a PPI style claim for either mis-selling of GAP insurance or for unfairness (where there is undisclosed high commission paid) under s.140A, using the Plevin case and the FCA's PPI rules and guidance as the basis for such claim.

- k) An Obligor who is a private person may be entitled to claim damages for loss suffered as a result of any contravention by an FCA authorised person of a rule under the FSMA. As mentioned above at paragraph 16 above, from 1 April 2014, such rules include rules in the CONC, which transposes certain requirements previously made under the CCA and OFT guidance. The Obligor may be able to set off the amount of the claim for contravention of CONC against the amount owing by the Obligor under the Regulated Financing Contract or any other Regulated Financing Contract he has taken with the authorised person (or exercise analogous rights in Scotland or Northern Ireland). Any such set-off may adversely affect the Issuer's ability to make payments in full when due under the Notes.
- l) Under CONC 6.4.2, in circumstances where there is more than one regulated agreement between an Obligor and a regulated firm, upon an Obligor making any payment in respect of those agreements which is not sufficient to discharge the total amount then due under all the agreements, the Obligor is entitled to specify how such repayment is allocated between the outstanding agreements. This right of appropriation may arise in relation to HP Contracts which are originated together with a HP+ Unsecured Loan, where an Obligor is entitled to specify how any shortfall amounts paid would be allocated between the HP Contract and any related HP+ Unsecured Loan and therefore could choose to allocate such amounts to repayment of the HP+ Unsecured Loan (and such amounts would not be for the account of the Issuer) in preference to the HP Contract.
- m) The Financial Ombudsman Service (the "FOS") is an out-of-court dispute resolution scheme with jurisdiction to determine complaints against authorised persons under the FSMA relating to conduct in the course of specified regulated activities including in relation to consumer credit. The FOS is required to determine each case individually, with reference to its particular facts. Each case is first adjudicated by an adjudicator. Either party may appeal to a final decision by the FOS. The FOS is required to determine complaints by reference to what is, in its opinion, fair and reasonable in all the circumstances of the case, taking into account, among other things, law and guidance, and may order a money award to the Obligor. It is not possible to predict how any future decision of the FOS would affect the Issuer's ability to make payments in full when due under the Notes.
- n) FRB London has interpreted certain technical rules under the CCA in a way common with many other lenders in the vehicle finance market. In addition, certain issues with the regulated Financing Contracts in respect of compliance with the applicable pre-contract/disclosure of information regulations and applicable agreement regulations have been identified. If such interpretation were held to be incorrect by a court or other dispute resolution authority, the Regulated Financing Contract would be unenforceable, as described above. If such interpretation were challenged by a significant number of Obligors, this could lead to significant disruption and shortfall in the income of the Issuer.

Court decisions have been made on technical rules under the CCA against certain lenders but these are very few and are generally county court decisions which are not binding on other courts. Where agreements are unenforceable without a court order due to minor documentary defects, certain lenders have pursued such debts as though they are simply enforceable, until such time as those defects were raised by a borrower and/or the court in any claim. However, this approach carries additional risk due to the regulatory obligations that now apply under the FCA rules (which extend to reporting breaches of the CCA and secondary legislation). To mitigate the risks associated with this approach, certain lenders rely on the decision in *McGuffick v Royal Bank of Scotland* [2010] 1 All ER 634, in which the High Court ruled that, in relation to agreements which were unenforceable by reason of failures to provide copies under sections 77 and 78 CCA, steps which fell short of obtaining a court judgment against the borrower were not "enforcement" within the meaning of the CCA.

## **18. Liability for dealer's misrepresentations and breach of contract**

### *a) Regulated Financing Contracts*

An Obligor could claim against FRB London as the counterparty to a Financing Contract in relation to any misrepresentations made by the dealer during negotiations between a dealer and Obligor before execution of the relevant Regulated Financing Contract or for a breach of contract. This liability arises in relation to, for example, insurance products where the creditor can be liable to the customer for misrepresentation and breach of contract by an insurer in an insurance contract between the insurer and the customer and financed by a regulated Finance Contract or in the context of defects and recalls. In respect of those Financing Contracts which are HP Contracts originated together with HP+ Unsecured Loans, there is a risk that an Obligor may seek to claim against FRB London as the lender in relation to

amounts due under such HP Contract in relation to misrepresentations made by the dealer in respect of the related HP+ Unsecured Loan.

In all the above circumstances, FRB London normally has a right to be reimbursed by the dealer or other supplier for any amount paid to the Obligor in respect of the Obligor's claim and any costs (including legal costs) incurred in defending the claim. If any such case arises and the Obligor's claim is successful, FRB London would ordinarily seek to sell the Financed Object back to the dealer.

*b) All Financing Contracts including Regulated Financing Contracts*

Under the Supply of Goods (Implied Terms) Act 1973 or CRA15 an Obligor may also make a claim for breach of contract against FRB London or, potentially, terminate the Financing Contract for repudiatory breach if the Financed Object the subject of the Financing Contract is not of satisfactory quality (which includes an assessment of whether it is fit for its intended purpose). This may include a claim arising from a defect or other manufacturing irregularity with respect to the Financed Object. Under the terms of each Financing Contract, there is one clause which purports to restrict FRB London's liability for any loss, injury or damage (other than death or personal injury) caused by FRB London's negligence or breach of contract. This clause is expressly stated to be subject to the relevant implied terms of the Supply of Goods (Implied Terms) Act 1973 or CRA15 in relation to title, conformity of the vehicles in question as to description, sample, quality and fitness for a particular purpose.

Where the Obligor makes the contract other than in the course of a business this exclusion does not affect the Obligor's statutory rights that the goods be of satisfactory quality and fit for their intended purpose. Where the Obligor makes the contract in the course of a business the exclusion of liability will only be binding if it meets a statutory test of reasonableness. Whenever this test is not satisfied FRB London will need to seek to rely on its right to be reimbursed by the dealer, to the extent applicable (described above).

In the above circumstances, FRB London normally has a right to claim against the supplier for any amount paid to the Obligor in respect of the Obligor's claim and any costs (including legal costs) incurred in defending the claim. If any such case arises and the Obligor's claim is successful, FRB London would also ordinarily seek to sell the vehicle back to the supplier.

## **19. Protected Goods**

If, under a Regulated Financing Contract, the Obligor has paid FRB London at least one-third of the total amount payable under the relevant Regulated Financing Contract and is in breach of the Regulated Financing Contract, the Financed Object becomes "protected" pursuant to the CCA and FRB London is not entitled to repossess the Financed Object, unless it first obtains an order from the court to this effect. This only applies where the property in the goods remains with FRB London.

If, however, the Obligor terminates the Regulated Financing Contract, the Financed Object ceases to be "protected" and FRB London may effect repossession unless the court grants the Obligor a "time order" rescheduling the Obligor's outstanding liabilities under the Regulated Financing Contract, or otherwise exercises any other discretion which it may have under the CCA.

Regardless of whether the goods are "protected", section 92 of the CCA protects the Obligor under a regulated hire purchase agreement from the creditor trying to gain entry to the Obligor's premises in an effort to recover possession of the goods subject to the relevant agreement, without first obtaining a court order.

See "THE PROVISIONAL RECEIVABLES POOL" for portfolio data on the financing contracts regulated by the CCA.

## **20. Other Risks Resulting from Consumer Credit Legislation**

*a) Unfair Terms in Consumer Contracts Regulations 1999*

The Unfair Terms in Consumer Contracts Regulations 1999 (the "**UTCC Regulations**") apply in relation to the Financing Contracts involving customers entered into prior to 1 October 2015. An Obligor may challenge a term in an agreement on the basis that it is "unfair" within the meaning of the UTCC Regulations and therefore not binding on the Obligor (although the contract itself shall continue to bind the parties if it is capable of continuing in existence without the unfair term). In addition the FCA or a qualifying body (as defined in the UTCC Regulations) may seek an injunction (or, in Scotland, interdict) preventing a business from relying on an unfair term.

A term shall be regarded as unfair if, contrary to the requirement of good faith, it causes a significant imbalance in the

parties' rights and obligations arising under the contract to the detriment of the consumer. It should be noted that there is no strict definition as to what will constitute an "unfair" term, although Schedule 2 to the UTCC Regulations provides a (non-exhaustive) list of terms that may potentially be deemed to be unfair. The assessment of unfairness will take into account all the circumstances attending the conclusion of the contract.

Ultimately, only a court can decide whether a term is fair; however, it will take into account any relevant guidance published by the Competition and Markets Authority or the FCA. The FCA had previously published guidance on how it would interpret the UTCC Regulations. This guidance was withdrawn in March 2015 following a number of decisions by the Court of Justice of the European Community and the enactment of CRA15 on 1 October 2015 and the repeal on that date of the UTCC Regulations. The FCA will also consider the terms of agreements, and how the terms are applied in light of their "Treating Customers Fairly" principle. In particular, they will look at whether satisfactory outcomes have been achieved for customers.

***For transactions entered into on and after 1 October 2015***, the CRA15 will apply in place of the UTCC Regulations. The CRA15 continues to provide consumers with substantially the same rights as they enjoyed under the UTCC Regulations and also extends protection to announcements or other communications, whether or not in writing, that may be seen by the consumer that are related to the Financing Agreement. The CRA15 makes both consumer contracts and consumer notices unenforceable if they fail the fairness test; introduces a more stringent test for fairness by making main subject matter of the contract or terms which set the price subject to the fairness test if they are not both transparent and prominent; and introduces new terms into the list of potentially unfair clauses in consumer contracts.

In addition, no assurance is given that future changes to the CRA15, the manner in which the CRA15 is applied, interpreted or enforced or changes to guidance on interest variation terms will not have an adverse effect on the Purchased Receivables, the Seller, the Servicer, the Agent Bank, the Paying Agent or the Issuer and their respective businesses and operations. This may adversely affect the ability of the Issuer to dispose of the Purchased Receivables, or any part thereof, in a timely manner and/or the realisable value of the Purchased Receivables, or any part thereof, and accordingly affect the ability of the Issuer to meet its obligations under the Notes when due.

#### *b) Unfair Commercial Practices Directive 2005*

On 11 May 2005, the European Parliament and the Council adopted the Unfair Commercial Practices Directive (SI 2005/29/EC) (the "**UCPD**"). The UCPD is a maximum harmonisation Directive, which means that (except for financial services and immovable property) Member States may not impose more stringent provisions than those provided for by the UCPD.

The UCPD seeks to harmonise unfair trading laws in all Member States by: (i) introducing a general prohibition on traders not to treat consumers unfairly; (ii) obliging businesses not to mislead consumers through acts or omissions or through subjecting them to aggressive commercial practices such as high pressure selling techniques; and (iii) introducing a prohibition of specified practices that will be deemed unfair in all circumstances. The UCPD has a wide scope in that it prohibits unfair business-to-consumer practices in all sectors, however, it only focuses on the protection of economic interests. Other interests such as health, safety, taste or decency are outside its scope.

The UCPD is intended to protect only the collective interests of consumers; it does not seek to provide individual consumers with a private right of action.

The Consumer Protection from Unfair Trading Regulations 2008 (SI 2008/1277) (the "**Consumer Protection Regulations**"), which implement the UCPD, came into force on 26 May 2008.

The Consumer Protection Regulations are comprised of three key restrictions:

- a) Regulation 3 sets out a general prohibition of unfair commercial practices, so as to catch all practices which do not fall into the specific prohibitions of misleading and aggressive practices or the specifically banned practices. In accordance with Regulation 3, a commercial practice is "unfair" if:
  - (i) the practice contravenes the requirements of "professional diligence" (which is the special skill and care a trader may be reasonably expected to exercise commensurate with honest market practice or the general principle of good faith in its field of activity); and
  - (ii) the practice materially distorts or is likely to materially distort the economic behaviour of the average consumer with regard to the product in question.
- b) Regulations 5 to 7 set out specific prohibitions in respect of misleading actions or omissions, and aggressive

practices, respectively.

- c) Schedule 1 to the Consumer Protection Regulations contains a list of 31 specified commercial practices that are in all circumstances to be deemed unfair. Evidence of their effect, or likely effect, on the average consumer is not required in order to prove a breach under the Consumer Protection Regulations.

Enforcers (such as the Trading Standards Service) may take civil enforcement action in respect of a breach of the Consumer Protection Regulations and consumers also have a right to redress for prohibited practices, including a right to unwind agreements, claim damages or obtain a discount.

## 21. General

No assurance can be given that changes will not be made to the regulatory regime and developments described above in respect of the vehicle finance market in the United Kingdom generally, FRB London's particular sector in that market or specifically in relation to FRB London. Furthermore, the UK's withdrawal from the EU creates uncertainties with regards to the UK's future relationship with the EU including the application of EU regulation in the UK (see the risk factor "*United Kingdom's exit from the European Union*" at paragraph 9 above). Any such action or developments, in particular, but not limited to, the cost of compliance, may have a material adverse effect on FRB London, the Issuer and/or the Servicer and their respective businesses and operations. This may adversely affect the Issuer's ability to make payments in full when due under the Notes.

## 22. Risk of Non-Existence of Purchased Receivables

In the event that any of the Purchased Receivables have not come into existence at the time of their assignment to the Issuer under the Receivables Purchase Agreement, such assignment would not result in the Issuer acquiring ownership title in such Purchased Receivable. The Issuer would not receive adequate value in return for its Purchase Price payment. This result is independent of whether the Issuer, at the time of assignment, is not aware of the non-existence and therefore acts in good faith with respect to the existence of such Purchased Receivable or not. This risk, however, will be mitigated by contractual representations and warranties and the contractual obligation that the Seller shall pay to the Issuer an amount equal to the deemed amount of the Principal Balance of such non-existent Receivables as at the date of such payment. There can be no assurance that the Seller will have the financial resources to make any such payment. This may affect the ability of the Issuer to make payments on the Notes. For more information see summary of the "PRINCIPAL TRANSACTION DOCUMENTS - RECEIVABLES PURCHASE AGREEMENT".

## 23. Scottish Receivables

Certain of the Financing Contracts (in respect of Purchased Receivables constituting approximately 9.89% of the Provisional Pool) have been entered into with Obligors who are (a) consumers and (b) located in Scotland, whilst certain of the vehicles financed pursuant to the Financing Contracts are located in Scotland. In such circumstances, notwithstanding the express choice of English law as the governing law of the contract, there is a risk that the Scottish courts could treat the express governing law clause and exclusive jurisdiction provisions as not binding on the relevant Obligor and instead apply Scots law based on regulations 5 and 8 of the Unfair Terms in Consumer Contracts Regulations 1999 and related OFT Guidance and, from 1 October 2015, CRA15.

If a Scottish court were to declare that a Financing Contract was in fact governed by Scots law as the express governing law was unenforceable (a "**Scottish Financing Contract**"), the Scottish court would declare that such Scottish Financing Contract had always been governed by Scots law, and that the Scottish Financing Contract should therefore be interpreted as a matter of Scots law. There is therefore a risk that the transfer of Purchased Receivables derived from Scottish Financing Contracts ("**Scottish Receivables**") by the Seller to the Issuer pursuant to an English law Receivables Purchase Agreement may not be considered to be a valid transfer by the Scottish courts.

To mitigate this risk, the Seller will declare a trust (the "**Scottish Trust**") in favour of the Issuer over the Scottish Receivables and the Issuer will be the beneficiary under the Scottish Trust. To the extent a Scottish court considers the relevant Financing Contract to be governed by Scots law, legal title to the relevant Scottish Receivable will accordingly remain with the Seller because no formal assignment thereof duly intimated to the relevant Obligor(s) will be made. The legal position of the Issuer under the Scottish Trust is substantially in accordance with that set out above in relation to the holding of an equitable interest in the Purchased Receivables governed by the laws of England and Wales.

In respect of PCP Contracts relating to vehicles located in Scotland, to mitigate the risk where a Scottish Obligor exercises its option to return the vehicle at the end of the term in accordance with the terms of the PCP Contract, the Seller will grant a floating charge (the "**Scottish Vehicle Sales Proceeds Floating Charge**") in favour of the Issuer in respect of the proceeds of sale of any vehicle located in Scotland returned to the Seller at the end of a PCP Contract and



subsequently sold.

The fixed charge granted by the Issuer in favour of the Trustee over the Issuer's assets includes, among other things, an assignment in security of the Issuer's interest in the Scottish Trust.

The Scottish Declaration of Trust is described in detail in the section headed "SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS - Receivables Purchase Agreement".

## **24. Risks Relating to the Insolvency of the Issuer**

### ***Small companies moratorium***

The Insolvency Act 2000 introduced significant changes to the UK insolvency regime including provisions which allow certain "small" companies to obtain protection from their creditors for a period of 28 days for the purposes of putting together a company voluntary arrangement with the option for the creditors to extend the protection period for a further two months.

During this period, no insolvency procedures may be commenced in relation to the company, any security created by the company over its property cannot be enforced and no other legal process can be taken in relation to the company except with the consent of the court.

A company may continue to make payments in respect of its debts in existence before the beginning of the moratorium only if there are reasonable grounds for believing such payments will benefit the company and the payment is approved by either the moratorium committee of the creditors of the company or, if none, by a nominee of the company appointed under the provisions of the Insolvency Act 2000.

For the purposes of the Insolvency Act 2000, a "small company" is defined as one which satisfies two or more of the following criteria: (i) its turnover is not more than £5.6 million; (ii) its balance sheet total is not more than £2.8 million; and (iii) the number of its employees is not more than 50.

For as long as the turnover of the Issuer is greater than £5.6 million and its balance sheet total is greater than £2.8 million, the Issuer will not be regarded as a "small company" under the law as it currently stands. The Secretary of State for Trade and Industry may by regulation in the future modify the eligibility requirements for the applicability of the Insolvency Act 2000 and the definition of a "small company".

Whether or not the Issuer is a "small company" within the provisions of the Insolvency Act 2000 will be an accounting matter determined on a financial year by financial year basis for the Issuer.

Pursuant to regulations made by the Secretary of State which came into force on 1 January 2003, companies which are party to an agreement which is or forms part of a capital market arrangement, under which a party incurs or when the agreement was entered into was expected to incur a debt of at least £10 million and which involves the issue of a capital market investment, are excluded from being eligible for the moratorium. The definitions of "capital market arrangement" and "capital market investment" are broad, such that, in general terms, any company which is a party to an arrangement which involves at least £10 million of debt, the granting of security to a trustee, and the issue of a rated, listed or traded debt instrument, may be ineligible to seek the benefit of the small companies moratorium.

In addition, there is an exclusion from the moratorium provisions for any company which has incurred a liability (including a present, future or contingent liability) of at least £10 million. While the Issuer should fall within this exception, there is no guidance as to how the legislation will be interpreted and the Secretary of State for Trade and Industry may by regulation modify the exceptions. No assurance may be given that any modification of the eligibility requirements for "small companies" and/or the exceptions will not be detrimental to the interests of the Noteholders.

The moratorium provisions may serve to limit the Trustee's ability to enforce the security granted by the Issuer if, first, the Issuer falls within the eligibility criteria for a moratorium at the relevant time; secondly, if the directors of the Issuer seek a moratorium in advance of a company voluntary arrangement; and, thirdly, if the Issuer is considered not to fall within an exception: in those circumstances, the enforcement of the security by the Trustee may, for a period, be prohibited by the imposition of the moratorium.

Even if a moratorium could delay enforcement proceedings against the Issuer, this would be for a maximum period of only three months as described above (subject to the Secretary of State increasing, by order, the period for which a moratorium may be obtained). In addition, even if a protection period were granted in relation to it, it could obtain approval to continue to make payments in accordance with the Trust Deed and the Conditions.

### *Share of floating charge assets for unsecured creditors*

The Enterprise Act 2002 (the "**Enterprise Act**") also inserted a new Section 176A into the Insolvency Act, which provides that where a company has gone into liquidation or administration, or where there is a provisional liquidator or receiver, a "**prescribed part**" of the company's net property is to be applied in satisfaction of unsecured debts in priority over floating charge holders.

By virtue of the relevant prescribing order, the ring fencing of the "**prescribed part**" applies to floating charges which are created on or after 15 September 2003. The amount available for unsecured creditors will depend upon the value of the Chargor's "**net property**", being the amount of the Chargor's property which would otherwise be available for satisfaction of the claims of floating charge holders or holders of a debenture secured by a floating charge. As at the date of this Prospectus, the "**prescribed part**" has been set as 50% of the first £10,000 of a company's net property and 20% of the net property that exceeds £10,000; provided that such amount may not exceed £600,000. Where the company's net property is less than a prescribed minimum of £10,000, the liquidator, administrator or receiver may disapply this rule without application to the Court in respect of a company if it thinks that the cost of making a distribution to unsecured creditors would outweigh the benefits. If the company's net property is more than the prescribed minimum, the liquidator, administrator or receiver may apply to the Court for an order that the rule may be disappplied on the same ground.

Accordingly, any floating charge realisations upon the enforcement of the Issuer Security will be reduced by the operation of the ring fencing provisions. A receiver appointed by the Trustee would also be obliged to pay preferential creditors out of floating charge realisations in priority to payments to the Transaction Creditors (including the Noteholders), respectively. Following the amendments to the Insolvency Act introduced by the Enterprise Act, the categories of preferential debts are certain amounts payable in respect of occupational pension schemes, employee remuneration and levies on coal and steel production. It should be noted, however, that pursuant to the covenants contained in the relevant Transaction Documents, the Issuer is not permitted to have any employees and its activities are otherwise restricted. Accordingly, if the Issuer complies with the covenants contained in the Transaction Documents it is unlikely that the Issuer will have any preferential creditors.

### *Appointment of administrative receiver in respect of Issuer*

As a result of the amendments made to the Insolvency Act by the Enterprise Act, the holder of a qualifying floating charge created on or after 15 September 2003 is prohibited from appointing an administrative receiver and, consequently, is unable to prevent the Chargor entering into administration, unless the floating charge falls within one of the exceptions set out in sections 72A to 72GA of the Insolvency Act.

The Trustee will not be entitled to appoint an administrative receiver over the assets of the Issuer unless the floating charges in its favour fall within at least one of the exceptions.

The exceptions include a capital markets exception in respect of, in certain circumstances, the appointment of an administrative receiver pursuant to an agreement which is or forms part of a "**capital market arrangement**" (as defined in the Insolvency Act). This exception will apply if a party incurs or, when the agreement in question was entered into, was expected to incur a debt of at least £50 million and if the arrangement involves the issue of a capital market investment (also defined in the Insolvency Act but, generally, a rated, traded or listed bond).

Although there is yet no case law on how this exception will be interpreted, the exception should be applicable to the transactions described in this Prospectus so far as it concerns the floating charge created by the Issuer under the Deed of Charge. However, the Secretary of State may, by secondary legislation, modify the exceptions to the prohibition on appointing an administrative receiver and/or provide that the exception shall cease to have effect. No assurance can be made that any such modification or provisions in respect of the capital market exception will not be detrimental to the interests of the Noteholders.

### *Financial Collateral Arrangements (No. 2) Regulations*

The Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the "**Financial Collateral Regulations**") (which implement the Financial Collateral Directive (Directive 2002/47/EC)) sets out certain rules governing the provision of financial instruments and cash as collateral. The Financial Collateral Regulations apply to financial collateral provided by way of an outright transfer and to security interests. The effect of the Financial Collateral Regulations on the security interests to be created in connection with the transactions contemplated in this Prospectus may be to disapply key pieces of insolvency law such as the restrictions on the enforcement of security, which are contained in the Insolvency Act and which would otherwise apply to security taken over financial collateral.

The Financial Collateral Regulations are uncertain for a number of reasons, including whether the Financial Collateral Regulations have interpreted Directive 2002/47/EC too widely and, in the absence of any case law on the Financial Collateral Regulation or further guidance being given on its interpretation, the exact scope and effect of the Financial Collateral Regulations is unclear.

### ***Receiver as agent***

A receiver would generally be the agent of a company until the company's liquidation, and thus, while acting within his powers, will enter into agreements and take actions in the name of, and on behalf of, the company. The receiver will be personally liable on any contract entered into by him in carrying out his functions (except in so far as the contract provides otherwise) but will have an indemnity out of the assets of the company. If, however, the receiver's appointor unduly directed or interfered with or influenced the receiver's actions, a court may decide that the receiver was the agent of his appointor and that his appointor should be responsible for the receiver's acts and omissions.

The Trustee is entitled to receive remuneration and reimbursement for its expenses and an indemnity out of the assets of the Issuer for its potential liabilities. Such payments to the Trustee will rank ahead of payments by the Issuer under the Notes. Accordingly, should the Trustee become liable for acts of such a receiver, the amount that would otherwise be available for payment to the Noteholders may be reduced.

If the company to which the receiver is appointed goes into liquidation, then, as noted above, the receiver will cease to be that company's agent. At such time he will then act either as agent of his appointor or as principal according to the facts existing at that time. If he acts as agent of his appointor, then for the reasons set out in the foregoing paragraph the amount that would otherwise be available for payment to Noteholders may be reduced. If the receiver acts as principal and incurs a personal liability, he will have a right of indemnity out of the assets in his hands in respect of that liability and the amount that would otherwise have been available for payment to the Noteholders (subject to any claims of the Trustee to such amount) would be reduced accordingly.

### ***Preferential debts***

An administrator or receiver appointed by the Trustee would be obliged to pay preferential creditors out of floating charge realisations in priority to payments to the Transaction Creditors (including the Noteholders). For the purpose of this section, preferential debts mean the categories of debts listed in Schedule 6 to the Insolvency Act which include certain pension scheme contributions and remuneration of employees, but in respect of insolvencies commencing on or after 15 September 2003, no longer include debts due to HM Revenue and Customs or social security contributions following the Enterprise Act being brought into force. It should be noted, however, that pursuant to the covenants contained in the Transaction Documents, the Issuer is not permitted to have any employees and its activities are otherwise restricted. Accordingly, if the Issuer complies with the covenants contained in the Transaction Documents, it is unlikely that the Issuer will have any preferential creditors.

### ***Administration expenses***

If the Trustee is prohibited from appointing an administrative receiver, whether by virtue of the amendments made to the Insolvency Act by the Enterprise Act or otherwise, or fails to exercise its right to appoint an administrative receiver within the relevant notice period, and an administrator was appointed to the Issuer, the expenses of the administration would also rank ahead of the claims of the Trustee as floating charge holder. Furthermore, in such circumstances, the administrator would be free to dispose of floating charge assets without the leave of the court, although the Trustee would have the same priority in respect of the property of the company representing the floating charge assets disposed of (if any) as it would have had in respect of such floating charge assets.

### ***Recharacterisation of fixed security interest***

The law in England and Wales relating to the characterisation of fixed charges is unsettled.

There is a possibility that a court could find that certain of the fixed security interests expressed to be created by the Deed of Charge, which is governed by English law, could take effect as floating charges notwithstanding that they are expressed to be fixed charges if, for example, it is determined that the Trustee does not exert sufficient control over the relevant charged property for the security to be said to constitute fixed charges.

If the fixed security interests are recharacterised as floating security interests, the claims of (i) any unsecured creditors of the Issuer in respect of that part of its net property which is ring fenced as a result of the Enterprise Act (see "*Share of floating charge assets for unsecured creditors*" above); and (ii) certain statutorily defined preferential creditors (see "*Preferential Debts*" above) of the Issuer may have priority over the rights of the Trustee to the proceeds of enforcement

of such security.

## **25. Permitted Investments**

The Issuer has the right to make certain interim investments of money standing to the credit of the Issuer Account and the Cash Reserve Account by investing them in Permitted Investments. These investments must be held with an institution having appropriate ratings. However, it may be that, irrespective of any such rating, such investments will be irrecoverable due to bankruptcy or insolvency of the debtor under the investment or of a financial institution involved or due to the loss of an investment amount during the transfer thereof. Additionally, the return on an investment may not be sufficient to cover fully interest payment obligations due from the investing entity on the funding used to purchase such investment. In this case, the Issuer may not be able to meet all of its payment obligations. None of the Issuer, the Servicer, the Trustee and/or any other Transaction Party will be responsible for any such loss or shortfall.

## **26. Reliance on Warranties**

If the Purchased Receivables should partially or totally fail to conform at the Initial Cut-Off Date or the Additional Cut-Off Dates, as applicable, to the warranties given by the Seller in the Receivables Purchase Agreement and such failure has a Material Adverse Effect on the interests of the Issuer or the Noteholders, the Seller shall have until the end of the Monthly Period which includes the thirtieth (30<sup>th</sup>) calendar day (or, if the Seller elects, an earlier date) after the date that the Seller became aware or was notified of such failure to cure or correct such failure. Any such breach or failure will not be deemed to have a Material Adverse Effect if such failure does not affect the ability of the Issuer to receive and retain timely payment in full on such Purchased Receivable. If the Seller does not cure or correct such failure prior to such time, then the Seller is required to repurchase the Purchased Receivable affected by such failure on the Payment Date following the expiration of such period (other than, for the avoidance of doubt, in the situation where the Purchased Receivable does not exist) at a price equal to the Principal Balance of the relevant Purchased Receivables as at the relevant Repurchase Date. The Issuer's rights under these provisions are, however, not secured, and the Noteholders bear the risk deriving from this fact.

Under the Receivables Purchase Agreement, the Seller will agree to indemnify the Issuer and the Trustee as described therein (and subject to the limitations set forth in the Receivables Purchase Agreement) from and against all liabilities resulting from, *inter alia*, a breach by the Seller of any of the Transaction Documents, the failure by the Seller to comply with any applicable law, rule or regulation imposed upon it by the laws of England and Wales, Scotland or South Africa and the exercise by any Obligor of any right of set-off. There can be no assurance that the Seller will have the financial resources to pay any such indemnity. This may affect the ability of the Issuer to make payments on the Notes. For more information see summary of the "PRINCIPAL TRANSACTION DOCUMENTS - RECEIVABLES PURCHASE AGREEMENT".

## **27. Reliance on Administration and Collection Procedures**

FRB London, in its capacity as Servicer, will carry out the administration, collection and enforcement of the Purchased Receivables in accordance with the Servicing Agreement (see "SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS - Servicing Agreement").

Accordingly, the Noteholders are relying on the business judgement and practices of FRB London as they exist from time to time, in its capacity as Servicer, including enforcing claims against Obligors.

## **28. Risk of Change of Servicer**

In the event FRB London is replaced as Servicer, there may be losses or delays in processing payments or losses on the Purchased Receivables due to a disruption in servicing during a transfer to a successor Servicer, or because the successor Servicer is not as experienced as FRB London. This may cause delays in payments or losses under the Notes. In order to reduce this risk, the Issuer has appointed the Back-up Servicer pursuant to the Back-up Servicing Agreement.

Upon the termination of the appointment of the Servicer under the Servicing Agreement, the Back-up Servicer will, within 60 days of receiving notice of the same, replace the Servicer on terms substantially similar to those set out in the Servicing Agreement.

However, there is no guarantee that the Back-up Servicer or any successor Servicer will provide the servicing at the same level as FRB London.

In relation to the HP+ Contracts, upon the termination of the appointment of the Servicer, the Back-up Servicer would only replace the Servicer in relation to the servicing of the HP Contract and not the related Unsecured Loan. There is

some academic discussion as to the interpretation of the CCA section 18 in relation to multiple agreements and, as a result, whether the CCA would permit the HP Contract and any related Unsecured Loan to be serviced by two different servicers. In the event that the HP Contract and any related Unsecured Loan were not capable of being serviced by two separate servicers in compliance with the CCA, this may require the HP+ Contracts to be modified to allow for different servicers of each of the HP Contract and the related Unsecured Loan. This may cause delays in payments or losses under the Notes in relation to the HP+ Contracts. In order to mitigate this risk, Receivables relating to HP+ Contracts shall be equal to or less than 10% of the Aggregate Principal Balance of the Purchased Receivables in the Portfolio, and the Seller will represent and warrant accordingly.

## **29. Back-up Servicer**

If the appointment of the Back-up Servicer under the Back-up Servicing Agreement is terminated, there can be no assurance that a replacement Back-up Servicer would be found who would be willing and able to service the Purchased Receivables. The ability of any entity acting as replacement Back-up Servicer to fully perform the required services would depend, among other things, on the information, software and records available to them at the time of the appointment. Any delay or inability to appoint a replacement Back-up Servicer may affect payments being made on the Notes.

The failure of the Back-up Servicer to assume performance of the Services following the termination of the appointment of the Servicer in accordance with the terms of the Servicing Agreement and the Backup Servicing Agreement could result in the failure of or delay in the processing of payments on the Purchased Receivables and ultimately could adversely affect payments of interest and principal on the Notes.

## **30. Commingling Risk**

FRB London, as the Servicer, is entitled to commingle Collections with its own funds for a period up to one calendar week and is required to pay the Collections accumulated to the Issuer Account on each Transfer Date. If FRB London were unable to remit those funds or were to become insolvent, losses or delays in distributions to investors may occur. In order to mitigate this risk, the Seller will enter into the amendment and restatement deed relating to a collection accounts declaration of trust (the "**Amendment and Restatement Deed relating to a Collection Accounts Declaration of Trust**") declared by the Seller on 29 March 2012 in favour of Turbo Finance 2 plc (Turbo Finance 2 plc having subsequently been removed as a beneficiary of the trust on 23 September 2014), as amended and restated on 21 November 2012 (to add Turbo Finance 3 plc and FRB London as beneficiaries of the trust and to extend the trust to all monies standing to the credit of the Collection Accounts), as amended and restated on 14 November 2013 (to add Turbo Finance 4 plc as beneficiary of the trust), as amended and restated on 23 September 2014 (to add Turbo Finance 5 plc as beneficiary of the trust), as amended and restated on 14 July 2015 (to add Motohouse Limited as beneficiary of the trust), as amended and restated on 16 February 2016 (to add Turbo Finance 6 as beneficiary of the trust and remove Turbo Finance 3 plc as beneficiary of the trust), as amended and restated on 30 November 2016 (to add Turbo Finance 7 as beneficiary of the trust) and as amended and restated on 23 October 2017 (to add MotoFirst Limited as beneficiary of the trust and to remove Turbo Finance 4 plc as a beneficiary of the trust). By the Amendment and Restatement Deed, the trust declared on 29 March 2012 (as amended and restated on 21 November 2012, 14 November 2013, 23 September 2014, 14 July 2015, 16 February 2016, 30 November 2016 and 23 October 2017) will be amended on the Closing Date to add the Issuer as beneficiary of the trust.

## **31. Conflicts of Interest**

FRB London is acting in a number of capacities in connection with the transaction. FRB London will have only those duties and responsibilities expressly agreed to by it in the relevant agreement and will not, by virtue of it 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 with respect to each agreement to which it is a party.

In addition, each of FRB London, HSBC Bank plc and HSBC Corporate Trustee Company (UK) Limited in their various capacities in connection with the transaction may enter into business dealings from which they may derive revenues and profits without any duty to account therefor in connection with the transaction.

FRB London in particular may hold and/or service claims against the Obligor other than the Purchased Receivables. The interests or obligations of FRB London with respect to such other claims may in certain aspects conflict with the interests of the Noteholders. In addition, FRB London or another entity within the FRB Group may, from time to time, hold certain of the Notes in one or more classes of Notes. Until such time as the Class A Notes and the Class B Notes have been repaid in full and the remaining Notes are held in their entirety by FRB London, FirstRand International Limited or

members of the FRB Group, neither FRB London, FirstRand International Limited nor any other member of the FRB Group shall be entitled to vote at any meeting of Noteholders in respect of Notes held by it for its benefit. However, it should be noted that any such holding of Notes by FRB London, FirstRand International Limited or any other member of the FRB Group may have the effect of reducing the number of votes required to pass a resolution at any meeting of Noteholders.

All the aforementioned parties (and their Affiliates) may engage or may have engaged in commercial relationships, in particular, be lender, provide general banking, investment and other financial services to the Seller, the Obligors and other parties. In such relationships the aforementioned parties are not obliged to take into account the interests of the Noteholders. Accordingly, because of these relationships, potential conflicts of interest may arise out of the transaction.

### 32. Significant Investor

On the Closing Date, FirstRand International Limited will purchase all the Class C Notes and the Class D Notes and FRB London may purchase certain of the Class A Notes and the Class B Notes. FirstRand International Limited, FRB London and any other entity within the FRB Group which holds Notes may retain or sell some or all of such Notes in the secondary market in individually negotiated transactions at variable prices (which may, in turn, affect the liquidity and price of such Notes in the secondary market). Significant concentrations of holdings of certain Classes of the Notes in one investor may therefore occur. Please refer to the section entitled "SUBSCRIPTION AND SALE" for further information.

### 33. Changes to the Basel Capital Accord (Basel III)

The Basel Committee on Banking Supervision (the "**Basel Committee**") approved significant changes to the international prudential regulatory framework for financial institutions (such changes being commonly referred to as "**Basel III**"). In particular, Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**"). There is provision for phased implementation of the capital standards, meaning that these requirements will not apply in full until January 2019, with some minor transitional provisions allowing phase in until 2024. The new Liquidity Coverage Ratio will phase-in from 1 October 2015, but the minimum funding requirement will begin at 60% rising to reach 100% on 1 January 2018. The Net Stable Funding Ratio is expected to come into force as of 1 January 2018. Implementation of Basel III requires national legislation and therefore the final rules and the timetable for their implementation in each jurisdiction may be subject to some level of national variation. The EU has implemented Basel III by means of the CRR (as defined in risk factor 42 (*Compliance with the CRR, the AIFMR and the Solvency II Regulation*) below), which became directly applicable in all EU Member States from 1 January 2014 and the Capital Requirements Directive (the "**CRD IV**") which Member States were required to implement into national law by 1 January 2014, although some of the new rules have not yet come into effect, and some are being introduced on a gradual basis.

Implementation of the Basel III framework (to the extent that it has not already been fully implemented in member countries) and/or of any of the changes put forward by the Basel Committee as described above may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow the relevant framework and, as a result, they may affect the liquidity and/or value of the Notes.

In addition, investors should be aware of the EU risk retention and due diligence requirements which currently apply, or are expected to apply in the future, in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings, UCITS funds and institutions for occupational retirement provision. For more information see "*Compliance with the CRR, the AIFMR and the Solvency II Regulation*" and "*Simple, Transparent and Standardised ("STS") Securitisations*" below.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences for and effect on them of any changes to the Basel III framework and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

### 34. CRA III

On 31 May 2013, the finalised text of Regulation (EU) No 462/2013 ("**CRAIII**") of the European Parliament and of the

European Council amending Regulation (EC) No 1060/2009 ("**CRA**") on credit rating agencies was published in the Official Journal of the European Union. The majority of CRAIII became effective on 20 June 2013 (the "**CRAIII Effective Date**") although certain provisions will not apply until later. Under Article 8b of CRAIII (as amended), the issuer, originator and sponsor of structured finance instruments ("**SFI**") established in the European Union must jointly publish certain information about those SFI on a specified website set up by the European Securities and Markets Authority ("**ESMA**"). This includes information on: the credit quality and performance of the underlying assets of the SFI, the structure of the securitisation transaction, the cash flows and any collateral supporting a securitisation exposure, and any information that is necessary to conduct comprehensive and well-informed stress tests on the cash flows and collateral values supporting the underlying exposures.

On 26 January 2015, the Commission Delegated Regulation (EU) 2015/3 of 30 September 2014 came into force containing regulatory technical standards ("**CRAIII RTS**") adopted by the European Commission to implement provisions of CRAIII. The CRAIII RTS specify (i) the information that the issuer, originator and SFI established in the European Union must jointly disclose on the ESMA website, (ii) the frequency with which this information is to be updated and (iii) the presentation of this information by means of standardised disclosure templates. The CRAIII RTS will apply only with effect from 1 January 2017. On 27 April 2016 ESMA announced that, due to several issues in preparing for the establishment of the SFIs Website, it is unlikely that the SFIs Website will be available to reporting entities by 1 January 2017. In addition, ESMA did not publish the related technical instructions by 1 July 2016. In relation to SFIs issued between the date of entry into force of the CRAIII RTS and the date of their application, the issuer, originator and sponsor are only required to comply with the reporting requirements in relation to the SFIs which are still outstanding at the date of application of the CRAIII RTS. At the date of this Prospectus, there remains uncertainty as to what the consequences would be for the Issuer, related third parties and investors resulting from any potential non-compliance by the Issuer with CRAIII upon application of the reporting obligations. Investors should consult their legal advisors regarding the applicability of CRAIII and any consequences of non-compliance in respect of their investment in the Notes.

Additionally, CRAIII has introduced a requirement that where an issuer or related third parties (which term includes sponsors and originators) intends to solicit a credit rating of a structured finance instrument it will appoint at least two credit rating agencies to provide ratings independently of each other; and should consider appointing at least one rating agency having not more than a 10 per cent. total market share (as measured in accordance with Article 8d(3) of the CRA (as amended by CRAIII)) (a "small CRA"), provided that a small CRA is capable of rating the relevant issuance or entity. In order to give effect to those provisions of Article 8d of CRAIII, the European Securities and Markets Authority (ESMA) is required to annually publish a list of registered CRAs, their total market share, and the types of credit rating they issue. The Issuer has appointed DBRS which is a small CRA, in accordance with the CRAIII.

### **35. HP+ Contracts where the Original LTV may exceed the value of the Financed Object**

In respect of certain HP Contracts where the hire purchase agreement for the purchase of the Financed Object is entered into with an Obligor together with a separate unsecured loan (the HP+ Unsecured Loan), the total amount of borrowing by the Obligor, being the amount of the HP Contract plus the amount of any related HP+ Unsecured Loan, may exceed 100% of the value of the Financed Object. The Original LTV of the HP Contract and any related HP+ Unsecured Loan is however limited by certain restrictions in the FRB London / MotoNovo Finance Credit Risk Policy on the size of the HP+ Unsecured Loan and the type of Obligors who are eligible to be advanced a HP+ Unsecured Loan - please see further the section of this Prospectus headed "*Business Procedures of FirstRand Bank Limited Acting Through its London Branch*".

In order to mitigate this risk, Receivables relating to HP+ Contracts shall be equal to or less than 10% of the Aggregate Principal Balance of the Purchased Receivables in the Portfolio, and the Seller will represent and warrant accordingly.

According to information provided by the Seller, 5.29% of the Aggregate Initial Cut-Off Date Principal Balance relates to HP Contracts originated together with a HP+ Unsecured Loan.

### **36. Restrictions on Transfer**

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Offering of the Notes will be made pursuant to exemptions from the registration provisions of the Securities Act and from state securities laws. No Person is obliged or intends to register the Notes under the Securities Act or any state securities laws. Accordingly, offers and sales of the Notes are subject to the restrictions described under "SUBSCRIPTION AND SALE".

### **37. Responsibility of Prospective Investors**

The purchase of Notes is only suitable for investors that have adequate knowledge and experience in such structured investments and have the necessary background and resources to evaluate all risks related with the investment that are able to bear the risk of loss of their investment (up to a total loss of the investment) without the necessity to liquidate the investment in the meantime and that are able to assess the economic, financial regulatory, accounting, legal and tax aspects of such investment independently.

Furthermore, each potential investor should on the basis of its own and independent investigation and help of its professional advisors (the consultation of which the investor may deem necessary) be able to assess if the investment in the Notes is in compliance with its financial requirements, targets and situation (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's), is in compliance with its principles for investments, guidelines or restrictions (regardless of whether it acquires the Notes for itself or as a trustee) and is an appropriate investment for the purchaser (or for any beneficiary if acting as a trustee), notwithstanding the risks of such investment.

Without prejudice (for the avoidance of doubt) to the statements made above under "Important Notice - Responsibility Statements" with respect to FRB London's responsibility for FRB London Information, investors may not rely on the Arrangers in connection with their determination as to the legality of acquisition of the Notes or as to the other matters referred to in the "Risk Factors" section of the Prospectus. The Arrangers are not acting as investment advisers nor do the Arrangers assume any fiduciary obligation, to any investor in the Notes. The Arrangers do not assume any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any of the Issuer, the other Transaction Parties (other than, in the case of FRB London, itself) or the Obligors.

### **38. Interest Rate Risk / Risk of Swap Counterparty Insolvency**

The Issuer has entered into an Interest Rate Swap Agreement to mitigate the interest rate exposure in respect of the Class A Notes and the Class B Notes because the Purchased Receivables bear interest at fixed rates while the Class A Notes and the Class B Notes will bear interest at floating rates based on LIBOR for one-month Sterling deposits. The cash flows of the Purchased Receivables required to make interest and principal payments under the Class A Notes and the Class B Notes will not be adjusted in accordance with changes in floating interest rates. The Issuer will use payments made by the Swap Counterparty to make payments on such Notes on each Payment Date.

During those periods in which the floating rate Sterling amounts payable by the Swap Counterparty under the Interest Rate Swap Agreement are substantially greater than the fixed rate Sterling amounts payable by the Issuer under the Interest Rate Swap Agreement, the Issuer will be more dependent on receiving payments from the Swap Counterparty in order to make interest payments on the Notes. If the Swap Counterparty fails to pay any amounts when due under the Interest Rate Swap Agreement, the Collections from Purchased Receivables and the Cash Reserve Amount may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes.

During those periods in which the floating rate Sterling amounts payable by the Swap Counterparty under the Interest Rate Swap Agreement are less than the fixed rate Sterling amounts payable by the Issuer under such Interest Rate Swap Agreement, the Issuer will be obligated under such Interest Rate Swap Agreement to make a payment to the Swap Counterparty. Such amounts (other than Subordinated Termination Payments) will rank higher in priority than payments on the Notes. If on any Payment Date, a payment under the Interest Rate Swap Agreement is due to the Swap Counterparty, the Purchased Receivables and the Cash Reserve Amount may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments under the Notes.

If, in respect of a particular Payment Date under the Interest Rate Swap Agreement, the floating amount payable by the Swap Counterparty under the Interest Rate Swap Agreement is a negative number (for example, due to a quoted negative floating rate of interest), then the floating amount payable by the Swap Counterparty under the Interest Rate Swap Agreement will be deemed to be zero and, in respect of the Interest Rate Swap Agreement, the Zero Interest Rate Method (as defined in the Swap Agreement) will apply. If a payment under the Interest Rate Swap Agreement is due to the Swap Counterparty on any Payment Date, the Purchased Receivables and the Cash Reserve Amount may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments under the Notes.

The Swap Counterparty may terminate the Interest Rate Swap Agreement if, amongst other things, the Issuer becomes insolvent, if the Issuer fails to make a payment under the Interest Rate Swap Agreement when due (after taking into



account any grace periods), if a change of law results in the obligations of one of the parties becoming illegal, if an Enforcement Event Notice is served upon the Issuer by the Trustee, if the Priority of Payments is changed (other than with the prior written consent of the Swap Counterparty such that the interests of the Swap Counterparty are in any way adversely affected, or any provision of the Transaction Documents is amended (without the prior written consent of the Swap Counterparty if the effect of such amendment is to affect the amount, timing or priority of any payments or deliveries due from the Issuer to the Swap Counterparty or from the Swap Counterparty to the Issuer. The Issuer may terminate the Interest Rate Swap Agreement if, amongst other things, certain insolvency events occur in respect of the Swap Counterparty, the Swap Counterparty fails to make a payment under the Interest Rate Swap Agreement when due (after taking into account any grace periods) or a change of law results in the obligations of one of the parties becoming illegal.

In the event that any of the ratings of the Swap Counterparty (or the ratings of the Swap Guarantor, where applicable) by either of the Rating Agencies falls below the Required Rating at any time, the Issuer may terminate the Interest Rate Swap Agreement if the Swap Counterparty fails, within a set period of time, to take certain remedial actions intended to mitigate the effects of such downgrade below the Required Rating. Such actions could include the Swap Counterparty posting collateral in accordance with the Swap Credit Support Document, transferring its obligations to a Replacement Swap Counterparty or procuring a guarantee or taking any other action as agreed with the Rating Agencies. However, in the event the Swap Counterparty is downgraded there can be no assurance that a guarantor or a Replacement Swap Counterparty will be found or that the amount of collateral will be sufficient to meet the Swap Counterparty's obligations. The Swap Counterparty will be required to take certain additional actions in the event that its rating (or the rating of the Swap Guarantor, where applicable) by S&P or DBRS falls below the Second Required Rating.

**"Required Rating"** means:

- (a) with respect to DBRS, the long-term, unsecured and unsubordinated debt or counterparty obligations must be rated at least "A" by DBRS; or
- (b) with respect to S&P, the minimum required ratings for the S&P Option then in effect pursuant to the Interest Rate Swap Agreement.

**"Second Required Rating"** means with respect to DBRS, the long-term, unsecured and unsubordinated debt or counterparty obligations must be rated "BBB" or above by DBRS and, with respect to S&P, the minimum required ratings for the S&P Option then in effect pursuant to the Interest Rate Swap Agreement.

**"S&P Option"** means, on any date, the option which applies to the terms of the Interest Rate Swap Agreement and which may be either S&P Option 1, S&P Option 2, S&P Option 3 or S&P Option 4 as the case may be (or any other applicable option which may be published by S&P from time to time).

In the event that the Interest Rate Swap Agreement is terminated by either party upon the occurrence of an Event of Default or a Termination Event (in each case as defined in the Swap Agreement), a Swap Termination Payment may be due to the Issuer or to the Swap Counterparty. Any such Swap Termination Payment could, if market interest rates and other conditions have changed materially, be substantial. Under certain circumstances, such Swap Termination Payment required to be made by the Issuer to the Swap Counterparty will rank higher in priority than all payments on the Notes. In such event, the Purchased Receivables and the Cash Reserve Amount may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes.

In the event that the Interest Rate Swap Agreement is terminated by either party due to an Event of Default or a Termination Event (in each case as defined in the Swap Agreement), endeavours will be made to enter into a replacement interest rate swap although the Issuer may not be able to do so immediately or at all. To the extent a replacement interest rate swap is not in place, the amount available to pay principal of and interest under the Notes will be reduced if the interest rates under the Class A Notes or Class B Notes exceed the fixed rate the Issuer would have been required to pay the Swap Counterparty under the terminated Interest Rate Swap Agreement. Under these circumstances, the Purchased Receivables and the Cash Reserve Amount may be insufficient to make the required payments under the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments under the Notes.

The Swap Counterparty may under certain limited conditions transfer its obligations under the Interest Rate Swap Agreement to a third party with the Required Rating if it meets certain conditions. There can be no assurance that the credit quality of the replacement interest rate swap will ultimately prove as strong as that of the original Swap Counterparty.

The Swap Counterparty will not be responsible for any loss, expense or liability which may be suffered by the Noteholders as a result of any of these events or actions.

### **39. Subordination of Payments**

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a swap counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty (a so-called "flip clause"). Such provisions are similar in effect to the terms included in the Transaction Documents relating to the subordination of certain payments under an Interest Rate Swap Agreement.

The Supreme Court of the United Kingdom in *Belmont Park Investments PTY Limited (Respondent) v BNY Corporate Trustee Services Limited and Lehman Brothers Special Financing Inc* [2011] UKSC 38 unanimously upheld the decision of the Court of Appeal in upholding the validity of flip clause provisions, stating that, provided that such provisions form part of a commercial transaction entered into in good faith which does not have, as its predominant purpose or one of its main purposes, the deprivation of the property of one of the parties on bankruptcy, the anti-deprivation principle was not breached by such provisions.

In parallel proceedings in New York, Judge Peck of the U.S. Bankruptcy Court for the Southern District of New York granted Lehman Brothers Special Finance Inc.'s ("**LBSF**") motion for summary judgement on the basis that the flip clause provisions in that case represented unenforceable *ipso facto* clauses under the US Bankruptcy Code and did not benefit from "safe harbor" protections granted under the US Bankruptcy Code to "swap agreements". Judge Peck acknowledged that this resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". Whilst leave to appeal was granted, the case was settled before an appeal was heard. In separate proceedings before Judge Chapman of the U.S. Bankruptcy Court for the Southern District of New York commencing in September 2010, LBSF challenged the enforceability of flip clause provisions and sought a declaratory judgement that such provisions were unenforceable *ipso facto* clauses and that distributions made pursuant thereto violated the automatic stay requirement in US bankruptcy proceedings. On 28th June 2016 Judge Chapman gave judgement in which she found certain flip clause provisions not to be unenforceable *ipso facto* clauses. Moreover she found that a flip clause provision in the case was nonetheless protected by the "safe harbor" provisions referred to above. However, given that US bankruptcy courts are not required to follow prior decisions of their own court concerns still remain that the U.S. courts will diverge in their approach which, in the case of an unfavourable decision in New York, may adversely affect the Issuer's ability to make payments on the Notes.

If a creditor of the Issuer (such as the Swap Counterparty) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the US), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the Transaction Documents (such as a provision of the relevant Priority of Payments which refers to the ranking of the Swap Counterparty's rights in respect of certain amounts under the Interest Rate Swap Agreement). In particular, based on the decision of Judge Peck in the US Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under US bankruptcy law. However this may have been alleviated due to the ruling of Judge Chapman referred to above. US bankruptcy laws may be relevant in certain circumstances with respect to a range of entities which may act as a swap counterparty, including US established entities and certain non-US established entities with assets or operations in the US (although the scope of any such proceedings may be limited if the relevant non-US entity is a bank with a licensed branch in a US state). In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order was recognised by the English courts, there can be no assurance that such actions 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.

Given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents include terms providing for the subordination of certain payments under the Interest Rate Swap Agreement, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may result in negative rating pressure in respect of the Notes. If any rating assigned to any of the Rated Notes is lowered, the market value of such Rated Notes may reduce.

#### **40. Liability and Limited Recourse under the Notes**

The Notes represent obligations of the Issuer only, and do not represent obligations of the Arrangers, the Trustee, the Swap Counterparty, FRB London or any of its Affiliates or any Affiliate of the Issuer or any other third person or entity. Neither the Arrangers, nor the Trustee, nor the Swap Counterparty, nor FRB London or any of its Affiliates, nor any Affiliate of the Issuer, nor any other third person or entity, assume any liability to the Noteholders if the Issuer fails to make a payment due under the Notes.

All payment obligations of the Issuer under the Notes constitute limited recourse obligations to pay solely of the Issuer and therefore the Noteholders will have a claim under the Notes against the Issuer only to the extent of the Available Distribution Amount which includes, *inter alia*, amounts received by the Issuer under the Purchased Receivables and under the other Transaction Documents. The Available Distribution Amount may not be sufficient to pay amounts accrued under the Notes, which may result in an Interest Shortfall, however, no interest payable in relation to the Most Senior Class Outstanding shall be deferred pursuant to the Conditions.

In addition, if the Servicer does not provide a Servicing Report on a Servicing Report Performance Date, payments of principal on all classes of the Notes and payments of interest on all classes of Notes other than the Rated Notes will be deferred. In such circumstances, interest will continue to accrue on the Principal Outstanding Amount of the Notes, and it is therefore possible that the assets of the Issuer shall be extinguished prior to redemption of the Notes in full. Any deferral of principal may also adversely affect a Noteholder's ability to sell and/or the price a Noteholder receives for the Notes in the secondary market.

The Notes shall not give rise to any payment obligation in addition to the foregoing. The enforcement of the payment obligations under the Notes shall only be effected by the Trustee in accordance with the Trust Deed. If the Trustee enforces the claims under the Notes, such enforcement will be limited to the Issuer Security. To the extent that such assets, or the proceeds of the realisation thereof, prove ultimately insufficient to satisfy the claims of all Noteholders in full, then any shortfall arising shall be extinguished and no Noteholder, nor the Trustee, shall have any further claims against the Issuer, nor shall be able to petition for the winding up of the Issuer.

#### **41. Absence of a Secondary Market**

Although an application has been made to list the Notes on the Irish Stock Exchange, there is currently a limited secondary market for the Notes. There can be no assurance that a secondary market for the Notes will provide the Noteholders with liquidity of investment, or that it will continue for the whole life of the Notes. Potential investors in the Notes should be aware of the prevailing global credit market conditions and the level of liquidity in the secondary market for instruments similar to the Notes. Such secondary markets have, in the recent past, experienced severe disruptions resulting from reduced investor demand for asset-backed securities and increased investor yield requirements for those securities. As a result, the secondary markets for asset-backed securities have recently experienced extremely limited liquidity. These conditions may return in the future.

Limited liquidity in the secondary market may have a severe adverse effect on the market value of asset-backed securities, especially those securities that are more sensitive to prepayment or credit 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 any other entities 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. Neither the Arrangers nor the Seller is under any obligation to assist in the resale of the Notes.

The liquidity of a secondary market for the Notes may be further constrained by the concentration of holdings of the Notes in a limited number of investors.

#### **42. Compliance with the CRR, the AIFMR and the Solvency II Regulation**

Articles 405 to 410 of Regulation (EU) No 575/2013 of the European Parliament and of the Council, of 26 June, on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, as amended from time to time, (the "CRR"), as supplemented by Commission Delegated Regulation (EU) No 625/2014, of 13 March 2014, and including any regulatory technical standards and any implementing technical standards issued by the European Banking Authority or any successor body, from time to time place an obligation on a credit institution or

investment firm that is subject to the CRR (a "**CRR Institution**") which assumes exposure to the credit risk in a securitisation transaction (as defined in Article 4(1)(61) of the CRR) to ensure that the originator, sponsor or original lender has explicitly disclosed that it will fulfil its Retention Obligation (as defined below), and to have a thorough understanding of all structural features of a securitisation transaction that would materially impact the performance of their exposures to the transaction.

Furthermore, investors should be aware of Article 17 of the AIFMD, as supplemented by Section 5 of the AIFMR, which took effect on 22 July 2013 and Article 135(2) of Directive 2009/138/EC, of the European Parliament and of the Council, of 25 November 2009, as supplemented by Chapter VIII of the Commission Delegated Regulation (EU) 2015/35, of 10 October 2014 (the "**Solvency II Regulation**"). The provisions of Section 5 of Chapter III of the AIFMR and the provisions of Chapter VIII of the Solvency II Regulation provide for due diligence requirements to be undertaken by, respectively, alternative investment fund managers, required to be authorised under the AIFMD, and insurance or reinsurance undertakings which assume exposure to the credit risk of a securitisation, as well as apply to them, respectively, restrictions on the investment in securities and other financial instruments originated through securitisation, in relation to risk retention requirements. While such requirements are similar to those which apply pursuant Articles 405 to 410 of the CRR, they are not identical and, in particular, additional due diligence obligations apply to the relevant alternative investment funds managers and insurance or reinsurance undertakings.

The Originator, which is an originator for the purposes of Article 4(1)(13) of the CRR, will undertake in the Receivables Purchase Agreement to retain, on an ongoing basis, a material net economic interest of not less than 5 per cent. of the nominal amount of the securitised exposures (the "**Retention Obligation**"). The Originator will retain the net economic interest in the securitisation through total or partial retention of the Class C Notes and the Class D Notes until the Final Maturity Date and, if necessary, other Notes having the same or a more severe risk profile than those sold to investors, equivalent to no less than 5 per cent. of the Purchased Receivables in the Portfolio, in accordance with Article 405(1)(d) of the CRR, Article 51(1)(d) of the AIFMR and 254(2)(d) of the Solvency II Regulation (the "**Retained Interest**"). The Originator will undertake not to hedge, sell or in any other way mitigate its credit risk in relation to such retained exposures. The retained exposures may be reduced over time by, amongst other things, amortisation and allocation of losses or defaults on the underlying Receivables. The Investor Report will also provide monthly confirmation as to the Originator's continued holding retained exposures equal in total to at least 5 per cent. of the Purchased Receivables in the Portfolio. It should be noted that there is no certainty that references to the Retention Obligation and the Retained Interest in this Prospectus or the undertakings in the Receivables Purchase Agreement will constitute adequate due diligence (on the part of the Noteholders) or explicit disclosure (on the part of the Originator) for the purposes of Articles 406 and 409 of the CRR, Article 52 of the AIFMR, Article 256 of the Solvency II Regulation.

If the Originator does not comply with its undertakings set out in the Receivables Purchase Agreement, the ability of the Noteholders to sell and/or the price investors receive for, the Notes in the secondary market may be adversely affected.

Articles 405 to 410 of the CRR, Articles 51 and 52 of the AIFMR and Articles 254 and 256 of the Solvency II Regulation also place an obligation on, respectively, CRR Institutions, alternative investment fund managers and insurance and reinsurance undertakings, before investing in a securitisation transaction and thereafter, to analyse, understand and stress test their securitisation positions, and monitor on an ongoing basis and in a timely manner performance information on the exposures underlying their securitisation positions. The Originator has undertaken to provide, or procure that the Servicer shall provide to the Issuer, the Corporate Services Provider and the Cash Manager such information as may be reasonably required by the Noteholders to be included in the Cash Manager's Investor Report to enable such Noteholders to comply with their obligations pursuant to the CRR, Articles 51 and 52 of the AIFMR and Articles 254 and 256 of the Solvency II Regulation. Where the relevant requirements of Articles 405 to 410 of the CRR, Articles 51 and 52 of the AIFMR and Articles 254 and 256 of the Solvency II Regulation are not complied with in any material respect and there is negligence or omission in the fulfilment of its due diligence obligations on the part of a CRR Institution that is investing in the Notes, a proportionate additional risk weight of no less than 250 per cent. of the risk weight (with the total risk weight capped at 1250 per cent.) which would otherwise apply to the relevant securitisation position shall be imposed on such CRR Institution, progressively increasing with each subsequent infringement of the due diligence provisions. Additionally, non-compliance with the requirements of Articles 405 to 410 of the CRR, Article 51 of the AIFMR and Article 254 and 256 of the Solvency II Regulation may adversely affect the price and liquidity of the Notes. Noteholders should make themselves aware of the provisions of the CRR, the AIFMR and the Solvency II Regulation and make their own investigation and analysis as to the impact of the CRR, the AIFMR and the Solvency II Regulation on any holding of Notes.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by

the Issuer as to the Originator's ability to comply with any obligation, including the Retention Obligation and the Retained Interest, provided for in, or otherwise ensuring the compliance of the transaction with, the CRR, the AIFMR, the Solvency II Regulation and as to the information complying with the relevant CRR, AIFMR rules and the Solvency II Regulation.

Noteholders should take their own advice on compliance with, and in the application of, the provisions of Articles 405 to 410 of the CRR, Article 51 and 52 of the AIFMR, Article 254 and 256 of the Solvency II Regulation.

#### **43. Simple, Transparent and Standardised ("STS") Securitisations**

On 30 September 2015, as part of its Capital Markets Union Action Plan, the European Commission published legislative proposals for two new regulations related to securitisation. Amongst other things, the proposals include provisions intended to implement the revised securitisation framework developed by Basel Committee on Banking Supervision (the "**CRR Amendment Regulation**") and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors (the "**STS Regulation**").

The subsequent trilogue discussions between representatives of the Commission, the Council and the European Parliament have, after a considerable period of negotiation, resulted in an agreement being reached on the contents of the STS Regulation. On 11 July 2017, the text was approved on behalf of the European Parliament (having previously been agreed on behalf of the Council on 28 June 2017). On 26 October 2017, the European Parliament voted on and approved the new STS Regulation and the CRR Amendment Regulation. The texts were adopted by the European Council on 20 November 2017. The final STS Regulation was published in the Official Journal of the European Union on 28 December 2017 and will enter into force on 17 January 2018. The provisions will apply from 1 January 2019. The updated regulatory requirements include the risk retention and transparency requirements imposed variously on the issuer, originator, sponsor and/or original lender in respect of securitised assets and the due diligence requirement imposed on certain institutional investors in securitisation. In general the requirements imposed under the STS Regulation are more onerous and have a wider scope than those imposed under current legislation. If any changes to the Conditions or the Transaction Documents are required as a result of the implementation of the STS Regulation, the Issuer may be required to bear the costs of making such changes. Any costs incurred by the Issuer in connection with satisfying the requirements of the STS Regulation may be paid by the Issuer pursuant to the applicable Priority of Payments.

There can therefore be no assurances as to whether the transactions described herein will be affected by a change in law or regulation relating to the EU risk retention requirements including as a result of the STS Regulation or any changes recommended in future reports or reviews. Investors should therefore make themselves aware of the EU risk retention requirements, the STS Regulation (and any corresponding implementing rules of their regulator), in addition to any other regulatory requirements that are (or may become) applicable to them and/or with respect to their investment in the Notes.

The matters described above and any other changes to the regulation or regulatory treatment of the Notes for the Issuer, the Seller and/or some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

#### **44. Book-Entry Registration**

The Notes will be represented by Global Notes delivered to a common safekeeper for Clearstream, Luxembourg and Euroclear, and will not be held by the beneficial owners or their nominees. The Global Notes will not be registered in the names of the beneficial owners or their nominees. As a result, unless and until Notes in definitive form are issued, beneficial owners will not be recognised by the Issuer or the Trustee as Noteholders, as that term is used in the Trust Deed. Until such time, beneficial owners will only be able to exercise their rights in relation to the Notes indirectly, through Clearstream, Luxembourg or Euroclear (as the case may be) and their respective participating organisations, and will receive notices (which, so long as the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, will be published in the Company Announcements section of the website of the Irish Stock Exchange [www.ise.ie](http://www.ise.ie)) and other information provided for under the Conditions of the Notes only if and to the extent provided by Euroclear or Clearstream, Luxembourg (as the case may be) and their respective participating organisations.

#### **45. Denominations of Notes**

The denomination of the Notes is £100,000 and integral multiples of £1,000 in excess thereof. Therefore, it is possible that the Notes may be traded in amounts in excess of £100,000 that are not integral multiples of £100,000. In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than £100,000 will not receive a

definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more denominations.

#### **46. The Issuer's Reliance on Third Parties**

The Issuer is a party to contracts with a number of other third parties that have agreed to perform certain services in relation to, *inter alia*, the Notes. For example, the Swap Counterparty has agreed to enter into the Interest Rate Swap Agreement, the Corporate Services Provider has agreed to provide corporate services to the Issuer and the Servicer, the Cash Manager, the Agent Bank and the Paying Agent have agreed to provide servicing, cash administration, payment, administration and calculation services in connection with the Notes and the Financing Contracts. In the event that any relevant third party fails to perform its obligations under the respective agreements to which it is a party, the Noteholders may be adversely affected.

#### **47. Issuer Security**

Although the Trustee will hold the benefit of the Issuer Security created under and pursuant to the Deed of Charge and the Assignment in Security on trust for, *inter alios*, the Noteholders, such Issuer Security will also be held on trust for certain other parties that will rank ahead of the Noteholders.

In the event that the Issuer Security is enforced, the proceeds of such enforcement may be insufficient, after payment of all other claims ranking in priority to amounts due under the Notes, to pay in full all amounts of principal and interest (and any other amounts) due in respect of the Notes. Prior to the final maturity of the Notes, enforcement of the Issuer Security by the Trustee is the only remedy available for the purpose of recovering amounts owed in respect of the Notes.

#### **48. Rights Available to Holders of Notes of Different Classes**

In performing its duties as trustee for the Noteholders, the Trustee will have regard to the interests of all Noteholders. Where, however, there is a conflict between the interests of the holders of one class of Notes and the holders of the other class of Notes, the Trustee will be required to have regard only to the holders of the Most Senior Class Outstanding and will not have regard to any lower ranking class of Notes nor to the interests of the other Transaction Creditors except to ensure the application of the Issuer's funds after the delivery of a notice of an Enforcement Event in accordance with the Post-Enforcement Order of Priority.

Any resolution, other than a resolution in relation to a Basic Terms Modification, passed at a meeting of the Noteholders of any class duly convened and held in accordance with the Conditions and the Trust Deed shall be binding upon all the Noteholders of the relevant class whether present or not present at such meeting and whether or not voting and any resolution passed at a meeting of:

- a) the Class D Noteholders will be binding on all other Noteholders (other than the Class A Noteholders, the Class B Noteholders and the Class C Noteholders), irrespective of the effect upon them;
- b) the Class C Noteholders will be binding on all other Noteholders (other than the Class A Noteholders and the Class B Noteholders), irrespective of the effect upon them;
- c) the Class B Noteholders will be binding on all other Noteholders (other than the Class A Noteholders), irrespective of the effect upon them; and
- d) the Class A Noteholders will be binding on all other Noteholders, irrespective of the effect upon them,

An Extraordinary Resolution of any class of Noteholders in relation to a Basic Terms Modification shall not be effective unless it is sanctioned by: (i) an Extraordinary Resolution of Noteholders of each other class of Notes and (ii) only in relation to any proposed amendment to the Priority of Payments the effect of which is to make the Issuer's obligations to the Swap Counterparty further contractually subordinated to the Issuer's obligations to any other Transaction Creditor, the Swap Counterparty.

An Extraordinary Resolution of the Class D Noteholders shall not be effective for any purpose unless either the Trustee is of the opinion that it will not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders or it is sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders.

An Extraordinary Resolution of the Class C Noteholders shall not be effective for any purpose unless either the Trustee is of the opinion that it will not be materially prejudicial to the respective interests of the Class A Noteholders and the Class B Noteholders, or it is sanctioned by an Extraordinary Resolution of each of the Class A Noteholders and Class B

Noteholders.

An Extraordinary Resolution of the Class B Noteholders shall not be effective for any purpose unless either the Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders, or it is sanctioned by an Extraordinary Resolution of the Class A Noteholders.

#### **49. Modification of Transaction Documents without consent of Noteholders**

The Issuer may make certain amendments and modifications (other than in respect of a Basic Terms Modification) to the Conditions or any Transaction Document without the consent of Noteholders - see Condition 17.11 (*Additional Right of Modification*). Such amendment or modification could be adverse to the interests of certain Noteholders.

If the proposed modification to be made by the Issuer as set out in Condition 17.11 (*Additional Right of Modification*) (i) would affect the amount, timing or priority of any payments or deliveries due from the Issuer to the Swap Counterparty or from the Swap Counterparty to the Issuer; or (ii) would modify any of the Priority of Payments such that the interests of the Swap Counterparty are in any way adversely affected, the prior written consent of the applicable Swap Counterparty to any such proposed amendment will be required. If such consent is not provided the Issuer may be prevented from making certain amendments and modifications and this may be adverse to the interests of certain Noteholders.

#### **50. Ratings of Rated Notes and Confirmations of Ratings**

The ratings assigned to the Class A Notes and the Class B Notes by the Rating Agencies are based on the terms of the Transaction Documents and other relevant structural features of this transaction, including the short-term and long-term unsecured, unguaranteed and unsubordinated debt ratings of the Swap Counterparty, the short-term and long-term unsecured, unguaranteed and unsubordinated debt ratings of the Account Bank and the long-term unsecured, unguaranteed and unsubordinated debt ratings of the Servicer and reflect only the views of the Rating Agencies. The ratings assigned by S&P address (i) the timely payment of interest on the Rated Notes on each Payment Date and (ii) the ultimate repayment of the Principal Amount Outstanding of the Rated Notes on or before the Final Maturity Date. The ratings assigned by DBRS address (i) the timely payment of interest on the Rated Notes on each Payment Date and (ii) the ultimate repayment of the Principal Amount Outstanding of the Rated Notes on or before the Final Maturity Date. The Class C Notes and the Class D Notes will not be rated. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by any of the Rating Agencies. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Rating Agencies as a result of changes in or unavailability of information or if, in the judgement of the Rating Agencies, circumstances so warrant. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the value of the Rated Notes.

Agencies other than the Rating Agencies could seek to rate the Notes and, if such unsolicited ratings are lower than the comparable ratings assigned to the Rated Notes by the Rating Agencies, those shadow ratings could have an adverse effect on the value of the Notes. For the avoidance of doubt and unless the context otherwise requires, any references to "**ratings**" or "**rating**" in this Prospectus are to ratings assigned by the specified Rating Agencies only.

#### **51. No Gross-up for Taxes**

Should any withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by any government or state with authority to tax or any political subdivision or any authority thereof or therein having power to tax be required to be made from any payment in respect of the Notes (as to which, in relation to the United Kingdom, see "UNITED KINGDOM TAXATION" below), neither the Issuer, the Trustee nor the Paying Agent will be obliged to make any additional payments to Noteholders to compensate them for the reduction in the amounts that they will receive as a result of such withholding or deduction.

#### **52. Foreign Account Tax Compliance Act**

New U.S. tax provisions commonly known as the Foreign Account Tax Compliance Act (**FATCA**) impose a new reporting regime and, potentially, a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the IRS to provide the IRS with certain information in respect of its account holders and investors, or is not otherwise exempt from or in deemed compliance with FATCA, (ii) any non-U.S. entity that is not an FFI (unless such non-U.S. entity is otherwise exempt from FATCA) and that does not provide information as to whether such entity has any "substantial United States owners" (as defined by FATCA) and (iii) any person that fails to comply with reasonable requests for information necessary to determine if such person holds a "United States account" (a

## "Recalcitrant Holder").

The new FATCA withholding regime was phased-in beginning 1 July 2014 for certain U.S.-source payments and will apply to **foreign passthru payments** (a term not yet defined) on the later of 1 January 2019 and the update of publication of final regulations defining that term. FATCA withholding potentially applies to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the **grandfathering date**, which is (a) 1 July 2014 for newly issued Notes, (b) the date of material modification of the Notes if originally issued before 1 July 2014, or (c) the date that is six months after the date on which final U.S. Treasury Regulations defining the term foreign passthru payment are filed with the Federal Register (for foreign passthru payment withholding only) and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have negotiated certain intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**), and additional IGAs may be negotiated in the future. Pursuant to FATCA and the "Model 1" and "Model 2" IGAs, an FFI in an IGA signatory country may be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction may not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI may still be required to report certain information in respect of its account holders and investors to its home government. Furthermore, a Reporting FFI may be required to register with the IRS regardless of whether such Reporting FI is in a jurisdiction that has executed a "Model 1" or a "Model 2" IGA with the United States.

The Issuer may be classified as an FFI. If the Issuer does not become a Participating FFI, Reporting FI, or is not treated as exempt from or in deemed compliance with FATCA, the Issuer may be subject to FATCA withholding tax on certain U.S.-source payments, including U.S.-source payments received from Participating FFIs. Any such withholding imposed on the Issuer may reduce the amounts available to the Issuer to make payments on the Notes.

The United States and the United Kingdom have entered into an agreement (the **US-UK IGA**) based largely on the Model 1 IGA. The Issuer expects to be treated as a Reporting FI pursuant to the US-UK IGA and does not anticipate being obliged to deduct any FATCA withholding tax from payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA withholding tax from payments it makes. In such a case, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold under FATCA if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

If an amount in respect of FATCA withholding tax were to be deducted or withheld either from amounts due to the Issuer or from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. If FATCA withholding tax is required, the provisions of Condition 7.3 (*Optional Redemption in Whole*) may apply and the Issuer may redeem the Notes as more fully set out in Condition 7.3.

**FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to payments they may receive in connection with the Notes.**

### 53. The proposed financial transactions tax ("FTT")

On 14 February 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**"). However, Estonia has since stated that it will not participate.

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.

Under the Commission's Proposal 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.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional European Union Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

#### **54. EMIR, MiFID II and MiFIR**

Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, known as the European Market Infrastructure Regulation ("**EMIR**") came into force on 16 August 2012.

EMIR is a Level 1 regulation and requires secondary rules for full implementation of all elements. Some (but not all) of these secondary rules have been finalised and certain requirements under EMIR are now in effect. On 19 December 2012, the European Commission adopted nine of ESMA's Regulatory Technical Standards (the "**Adopted RTS**") and Implementing Technical Standards (the "**Adopted ITS**") on OTC Derivatives, CCPs and Trade Repositories (the Adopted RTS and Adopted ITS together being the "**Adopted Technical Standards**"), which included technical standards on clearing, reporting and risk mitigation (see further below). The Adopted ITS were published in the Official Journal of the European Union on 21 December 2012 and entered into force on 10 January 2013. The Adopted RTS were published in the Official Journal of the European Union on 23 February 2013 and entered into force on 15 March 2013. On 4 January 2017 new EU regulatory technical standards under EMIR came into force, which govern the mandatory posting of collateral for uncleared derivatives (the "**Exchange Collateral RTS**"). After 1 March 2017, institutions will be obliged to post variation margin with a phased-in implementation for initial margin from 1 September 2017 through to 1 September 2020.

EMIR introduces certain requirements in respect of OTC derivative contracts applying to financial counterparties ("**FCPs**"), such as investment firms, credit institutions and insurance companies and certain non-financial counterparties ("**Non-FCPs**"). Such requirements include, amongst other things, the mandatory clearing of certain OTC derivative contracts (the "**Clearing Obligation**") through an authorised central counterparty (a "**CCP**"), the reporting of OTC derivative contracts to a registered or recognised trade repository (the "**Reporting Obligation**") and certain risk mitigation requirements in relation to derivative contracts which are not centrally cleared in relation to timely confirmation, portfolio reconciliation and compression and dispute resolution (the "**Risk Mitigation Obligations**"). EMIR also imposes a record-keeping requirement pursuant to which counterparties must keep a record of any derivative contract they have concluded and any modification thereto for at least five years following the termination of the contract.

The Clearing Obligation applies to FCPs and certain Non-FCPs which have positions in OTC derivative contracts exceeding specified 'clearing thresholds'. Such OTC derivative contracts also need to be of a class of derivatives which has been designated by ESMA as being subject to the Clearing Obligation. On the basis of the Adopted Technical Standards, it is likely that the Issuer will be treated as a Non-FCP for the purposes of EMIR and the swap transactions to be entered into by it on the Closing Date will not exceed the "clearing threshold" and should therefore not be subject to the Clearing Obligation. Following the adoption by the Commission of a report on the review of EMIR on November 2016, the Commission released on May 3 2017 its proposed draft update of the EMIR regulation: a proposal for a Regulation of the European Parliament and of the Council amending EMIR, as regards the Clearing Obligation, the suspension of the Clearing Obligation, the reporting requirements, the risk-mitigation techniques for OTC derivatives contracts not cleared by a central counterparty, the registration and supervision of trade repositories and the requirements for trade repositories ("**EMIR II Proposal**"). Pursuant to the EMIR II Proposal, securitisation special purpose entities as defined in Article 4(1)(66) of CRR will be considered FCP's. There is no certainty as to the exact terms of the proposed amendment when approved and when any such amendments will enter into force. The first Clearing Obligation has been introduced from 21 June 2016.

A CCP will be used to meet the Clearing Obligation by interposing itself between the counterparties to the eligible OTC

derivative contracts. For the purposes of satisfying the Clearing Obligation, EMIR requires derivative counterparties to become clearing members of a CCP, a client of a clearing member or to otherwise establish indirect clearing arrangements with a clearing member. Each derivative counterparty will be required to post both initial and variation margin to the clearing member (which in turn will itself be required to post margin to the CCP). EMIR requires CCPs to only accept highly liquid collateral with minimal credit and market risk, which is defined in the Adopted Technical Standards to include cash in certain currencies, gold and highly rated government bonds.

The Reporting Obligation applies to all types of counterparties and covers the entry into, modification or termination of cleared and non-cleared derivative contracts which were amongst other things entered into on or after 16 August 2012. The details of all such derivative contracts are required to be reported to a trade repository. In addition, as of 12 August 2014 FCPs and Non-FCPs which exceed the specified clearing threshold have been required to report collateral, mark to market or mark to model valuations of their derivative contracts.

FCPs and Non-FCPs which enter into non-cleared derivative contracts must ensure that appropriate procedures and arrangements are in place to measure, monitor and mitigate operational and counterparty credit risk. Such procedures and arrangements include, amongst other things, the timely confirmation of the terms of a derivative contract and formalised processes to reconcile trade portfolios, identify and resolve disputes and monitor the value of outstanding contracts. In addition, FCPs and Non-FCPs which exceed the specified clearing threshold must also mark-to-market the value of their outstanding derivative contracts on a daily basis and have risk-management procedures that require the timely, accurate and appropriately segregated exchange of collateral. The Issuer is required to comply with certain of the Risk Mitigation Obligations which may give rise to additional costs and expenses for the Issuer, which may in turn reduce amounts available to make payments with respect to the Notes. Whilst it is likely that the Issuer will be treated as a Non-FCP that does not exceed any of the specified "clearing thresholds", and therefore subject to the less onerous level of Risk Mitigation Obligations and therefore not subject to the exchange of collateral requirements, aspects of EMIR and its application to securitisation vehicles remain unclear.

Under the scope of the EMIR II Proposal, Exchange Collateral RTS and the Clearing Obligation might become applicable to the Issuer. Should this be the case, it will likely be difficult for the Issuer to comply with such obligations and this may adversely affect the Issuer's ability to enter into hedging transactions, and/or significantly increase the cost thereof. The amounts payable to the Noteholders may therefore be negatively affected. No assurances can be made that any changes to EMIR would not cause the status of the Issuer to change.

The EU regulatory framework and legal regime relating to derivative contracts is set not only by EMIR but also by the proposals to amend the existing Markets in Financial Instruments Directive. The official texts of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ("**MiFID II**") and Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 ("**MiFIR**", and together with MiFID II, "**MiFID II/MiFIR**") were published in the Official Journal of the European Union on 12 June 2014 and entered into force on 2 July 2014. MiFIR is a Level 1 regulation and requires secondary rules for full implementation of all elements. The implementing measures that supplement MiFIR will take the form of delegated acts and technical standards. On 23 April 2014, the Commission asked ESMA to produce technical advice on the necessary delegated acts. On 22 May 2014, ESMA launched its consultation process which is on-going. MiFID II/MiFIR will apply in EU member states from 3 January 2018.

Amongst other requirements, MiFIR requires certain standardised derivative contracts to be traded on exchanges and electronic platforms (the "**Trading Obligation**"). Regulatory technical standards have been developed to determine which derivative contracts will be subject to the Trading Obligation. In this respect, it is difficult to predict the full impact of these regulatory requirements on the Issuer.

Prospective investors should be aware that the regulatory changes arising from EMIR and MiFID II/MiFIR may in due course significantly raise the costs of entering into derivative contracts and may adversely affect the Issuer's ability to engage in transactions in OTC derivatives. As a result of such increased costs or increased regulatory requirements, investors may receive less interest or return, as the case may be. Investors should be aware that such risks are material and that the Issuer could be materially and adversely affected thereby. As such, investors should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR, technical standards made thereunder (including the Adopted Technical Standards) and MiFID II/MiFIR, in making any investment decision in respect of the Notes.

In addition to the above, please note that given the prospective dates of entry into force of certain requirements (which, as detailed above, could impact the financial conditions of the Issuer), of EMIR, EMIR II Proposal, MiFID II and MiFIR,

certain amendments may be required to be made to the Transaction Documents in order to ensure compliance with such requirements.

EMIR, EMIR II Proposal, MIFDM and MIFIR may pose additional requirements in the future for the Issuer to comply with, which the Issuer cannot foresee as at the date of this Prospectus and is not aware as at the date of this Prospectus.

#### **55. The Volcker Rule**

The Issuer is relying on an exclusion or exemption under the Investment Company Act of 1940 other than the exclusions contained in Section 3(c)(1) or 3(c)(7). The Issuer was structured so as not to constitute a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Act (such statutory provision together with such implementing regulations, the "**Volcker Rule**"). The Volcker Rule generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund" and (iii) entering into certain relationships with such funds. The Volcker Rule became effective on 1 April 2014, with a conformance period until 21 July 2015. Under the Volcker Rule, unless otherwise jointly determined by specified federal regulators, a "covered fund" does not include an issuer that may rely on an exclusion or exemption from the definition of "investment company" under the Investment Company Act other than the exclusions contained in Section 3(c)(1) or 3(c)(7) of the Investment Company Act. Any prospective investor in the Notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule.

#### **56. Changes or uncertainty in respect of LIBOR may affect the value or payment of interest under the Notes**

Various interest rate and other indices which are deemed to be "benchmarks", including the London Inter-Bank Offered Rate ("**LIBOR**"), are the subject of recent national, international and other regulatory reforms and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented, including the EU Benchmarks Regulation (Regulation (EU) 2016/1011) (the "**Benchmarks Regulation**"). In addition, the sustainability of LIBOR has been questioned by the FCA as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. These reforms and other pressures may cause such benchmarks to disappear entirely or to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted.

Under the Benchmarks Regulation, which will apply from 1 January 2018 in general, new requirements will apply with respect to the provision of a wide range of benchmarks (including LIBOR), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the Benchmarks Regulation will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevent certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

In particular, investors should be aware that:

- a) any of these reforms or pressures described above or any other changes to a relevant interest rate benchmark (including LIBOR) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;
- b) if LIBOR is discontinued and an amendment as described in paragraph (c) below has not been made, then the rate of interest on the Rated Notes will be determined for a period by the fall-back provisions provided for under Condition 6.3 (*Interest - Interest Rates on the Notes*), although such provisions, being dependent in part upon the provision by Reference Banks of offered quotations for the LIBOR rate, may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time) and may result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available;
- c) while an amendment may be made under Condition 17.11(e) (*Additional Right of Modification*) to change the LIBOR rate on the Rated Notes to an alternative base rate under certain circumstances broadly related to LIBOR dysfunction or discontinuation and subject to certain conditions, there can be no assurance that any such amendment will be made or, if made, that it will (i) fully or effectively mitigate interest rate risks or result in an

equivalent methodology for determining the interest rates on the Rated Notes or (ii) be made prior to any date on which any of the risks described in this risk factor may become relevant; and

- d) if LIBOR is discontinued, and whether or not an amendment is made under Condition 17.11(e) (*Additional Right of Modification*) to change the LIBOR rate on the Rated Notes as described in paragraph (c) above, there can be no assurance that the applicable fall-back provisions under the Swap Agreement would operate so as to ensure that the base floating interest rate used to determine payments under the Swap Agreement is the same as that used to determine interest payments under the Rated Notes, or that any such amendment made under Condition 17.11(e) (*Additional Right of Modification*) would allow the transactions under the Swap Agreement to effectively mitigate interest rate on the Rated Notes.

More generally, any of the above matters (including an amendment to change the LIBOR rate as described in paragraph (c) above) or any other significant change to the setting or existence of LIBOR could affect the ability of the Issuer to meet its obligations under the Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Changes in the manner of administration of LIBOR could result in adjustment to the Conditions, early redemption, discretionary valuation by the Cash Manager, delisting or other consequence in relation to the Rated Notes. No assurance may be provided that relevant changes will not be made to LIBOR or any other relevant benchmark rate and/or that such benchmarks will continue to exist. Investors should consider these matters when making their investment decision with respect to the Notes.

#### **57. Bona Fide Purchaser**

A disposition of a vehicle by an Obligor to a bona fide private purchaser without notice of the hire purchase agreement will transfer to the purchaser the Originator's title to the vehicle.

## RECEIVABLES POOL AND SERVICING

Please refer to the sections entitled "Description of the Purchased Receivables", "The Provisional Receivables Pool" and "Summary of Principal Transaction Documents - Receivables Purchase Agreement" for further detail in respect of the characteristics of the Purchased Receivables Pool and the sale and the servicing arrangements in respect of the Purchased Receivables Pool.

### Sale of Portfolio

The Initial Purchased Receivables comprising the Initial Purchased Receivables Pool was selected on 31 December 2017 the "**Initial Cut-Off Date**"). The Initial Purchased Receivables Pool, together with Ancillary Rights, will be sold to the Issuer on the Closing Date. In the case of Scottish Receivables, the Seller will hold such Scottish Receivables on trust for the Issuer.

The Seller has the right to sell Additional Purchased Receivables to the Issuer on each Payment Date falling within the Revolving Period.

The Purchased Receivables comprise claims against Obligors in respect of payments due under Financing Contracts. The vehicles ("**Financed Objects**") financed pursuant to the Financing Contracts are new and second hand motor vehicles (including motorcycles, scooters and light commercial vehicles).

The Ancillary Rights include rights of action against Obligors, rights to Enforcement Proceeds, rights to any proceeds or monetary benefit in respect of any claim or claims against any motor vehicle insurer in relation to any damaged or stolen Financed Object (an "**Insurance Claim**") (the "**Insurance Proceeds**") arising in relation to the relevant Financed Object, rights of the Seller to PCP Recoveries, rights of action against a dealer relating to the relevant Financing Contract but exclude any rights specifically relating to legal title to the Financed Object itself.

The Financing Contracts are expressed to be governed by the laws of England and Wales and take the form of hire purchase agreements ("**HP Contracts**") and personal contract purchase agreements ("**PCP Contracts**") between FRB London and Obligors pursuant to which the Obligors' repayments amortise in monthly instalments over the life of the Financing Contracts and which may include a final balloon payment or, in the case of PCP Contracts, include an additional larger final payment amount at the end of the term of the Financing Contract.

The transaction is not, and the Notes are not, a re-securitisation, as none of the receivables backing the Notes is itself an asset-backed security or other securitisation position, and the transaction is also not a "synthetic" securitisation, in which risk transfer would be achieved through the use of credit derivatives or other similar financial instruments.

See the section entitled "Summary of Principal Transaction Documents - Receivables Purchase Agreement".

### HP Contracts

The HP Contracts are entered into with Obligors who are individuals, companies, partnerships and sole traders. HP Contracts are available for both new and used vehicles and light commercial vehicles.

HP Contracts contain standard terms where an initial deposit is usually paid and then the balance is typically amortised in equal monthly instalments. At the end of the term of the HP Contract, after an additional Option to Purchase Fee is paid (if applicable), the Obligor owns the Financed Object.

#### *HP+ Contracts*

Certain of the HP Contracts are hire purchase agreements which are entered into with Obligors together with separate unsecured loans (the **HP+ Unsecured Loan(s)**).

HP+ Unsecured Loans are granted to Obligor under the same written agreement as the related HP Contract and are subject to predominantly the same terms (e.g. as to repayment, early termination etc.). However, the HP Contract and HP+ Unsecured Loan have been drafted as "multiple agreements" under section 18 of the CCA. HP+ Unsecured Loans are not assigned to the Issuer and do not form part of the Portfolio.

HP+ Contracts are entered into with Obligor who are individuals and sole traders with a specified credit rating in accordance with the Customary Operating Practices. HP+ Contracts are available for both new and used vehicles and light commercial vehicles.

HP+ Contracts contain standard terms where an initial deposit is usually paid and then the balance of both the HP Contract and any related HP+ Unsecured Loan is typically amortised in equal monthly instalments. At the end of the term of the HP+ Contract, after an additional Option to Purchase Fee is paid (if applicable), the Obligor owns the Financed Object.

The HP Contract and any HP+ Unsecured Loan are identified as separate loans on the Servicer's systems. For the purpose of the direct debit instruction for payment by the Obligor, the amounts due under the HP Contract and any related HP+ Unsecured Loan are combined into one single composite figure sent to the Obligor's bank for payment.

Prior to a Servicer Replacement Event, FRB London is responsible for servicing both the HP Contract (as Servicer on behalf of the Issuer) and any related HP+ Unsecured Loan (on behalf of itself). Following a Servicer Replacement Event, the Back-up Servicer will be appointed to service the HP Contract on behalf of the Issuer in accordance with the Back-up Servicing Agreement. Servicing of any HP+ Unsecured Loan will remain the responsibility of FRB London. For this reason, at this point the combined single direct debit instruction of the Obligor will be cancelled and replaced with two separate direct debits, one for the HP Contract and one for the HP+ Unsecured Loan.

## **PCP Contracts**

The PCP Contracts are entered into with Obligor who are individuals. PCP Contracts are available for both new and used vehicles.

PCP Contracts are similar to HP Contracts, but with a Final Payment Amount at the end of the term of the PCP Contract which is larger than the preceding monthly instalments, where the Obligor can choose to either (a) settle the contract by paying the Final Payment Amount (and any Option to Purchase Fee) and thereby purchase the Financed Object or, (b) subject to the payment of all amounts due under the contract (including excess mileage and other charges) and the Obligor's compliance with the terms of the Financing Contract, return the Financed Object to FRB in full and final settlement of the PCP Contract.

The options available to the Obligor and the resulting implication for the Transaction are more particularly described as follows:

### *Option (a) - Obligor option to purchase the Financed Object*

Where the Obligor chooses to pay the Final Payment Amount and purchase the Financed Object, title in the Financed Object passes to the Obligor when the Obligor pays the Final Payment Amount and any additional Option to Purchase Fee. The Final Payment Amount will be paid by the Obligor to the Servicer and such amount will be remitted by the Servicer into the Collection Account for the benefit of the Issuer.

### *Option (b) - Obligor option to return the Financed Object*

The Obligor may opt to return the relevant Financed Object to the Servicer instead of paying the Final Payment Amount. In this case, the Redelivered Vehicle will then be inspected by an independent inspection agent to assess the Financed Object's condition, maintenance and mileage. Any necessary repair charges or excess mileage charges will be payable by the Obligor in accordance with the terms of the Financing

Contract. The Servicer will then sell the Redelivered Vehicle at auction (usually subject to a reserve price), and the sale proceeds (net of any costs incurred by the Servicer in connection with the sale) will be remitted by the Servicer into the Collection Account for the benefit of the Issuer.

*Calculation of the Final Payment Amount*

The decision of the Obligor whether to pay the Final Payment Amount (plus any Option to Purchase Fee) and therefore purchase the Financed Object, or return the Financed Object to the Seller, will in part be affected by the amount of the Final Payment Amount. The Final Payment Amount is set as the Minimum Guaranteed Future Value of the relevant Financed Object as determined by the Seller at the start of the Financing Contract based on certain contractual mileage assumptions using the Cap Gold Book and taking a conservative view of the anticipated future value of the Financed Object.

If the Final Payment Amount to be paid by the Obligor to purchase the Financed Object is less than the market value of the Financed Object at that time, the Obligor may be more likely to decide to purchase the Financed Object and pay the Final Payment Amount.

If the Final Payment Amount to be paid by the Obligor to purchase the Financed Object is greater than the market value of the Financed Object at that time, the Obligor may be more inclined to return the Financed Object to the Seller in lieu of the Final Payment Amount and thus settle his/her obligation.

If the Obligor decides to return the Financed Object to the Seller, the amount realised from the sale of the Redelivered Vehicle (net of any costs incurred in connection with the sale) may be less than the amount of the Final Payment Amount that would otherwise have been paid by the Obligor had it decided to purchase the Financed Object.

**Features of Purchased Receivables**

The following is a summary of certain features of Receivables provisionally selected to form a pool (the "**Provisional Pool**") as at 31 December 2017 (the "**Provisional Pool Date**"). The Receivables that form the Initial Purchased Receivables Pool were randomly selected on the Initial Cut-off Date and have similar characteristics to the Receivables contained in the Provisional Pool. The actual Initial Purchased Receivables Pool will have an Aggregate Outstanding Principal Balance of £539,988,853.69. Investors should refer to, and carefully consider, further details in respect of the Receivables set out in "*The Provisional Receivables Pool*".

Summary of the Provisional Pool:

Type of Receivable	Auto Loan
Number of Receivables	63,297
Aggregate Outstanding Principal Balance	539,988,853.69
Weighted Average Original Amount Financed	12,104.71
Financed Object - New	
(Percentage of balance)	6.20%
(Principal Balance)	33,466,943.99

Financed Object - Used	
(Percentage of contracts) (Principal Balance)	93.80% 506,521,909.70
Receivables Agreement Type – HP Contracts	
(Percentage of balance) (Principal Balance)	74.65% 403,078,901.44
Receivables Agreement Type – HP Contract with Balloon (none of which are HP+ Contracts)	0.27%
(Percentage of balance) (Principal Balance)	1,460,309.72
Receivables Agreement - HP+ Contracts	
(Percentage of balance) (Principal Balance)	5.29% 28,562,686.05
Receivables Agreement - PCP Contracts	
(Percentage of balance) (Principal Balance)	19.79% 106,886,956.47
Weighted Average Effective Rate	11.19%
Weighted Average Number of Rentals	52.57
Weighted Average Remaining Payments Outstanding	47.28
Average Current Balance	8,531.03
Weighted Average Original LTV	89.99%
Weighted Average Seasoning (months)	5.09



## Consideration

Consideration payable by the Issuer in respect of the sale of the Initial Purchased Receivables shall be equal to the Aggregate Initial Cut-Off Date Principal Balance and the deferred consideration. An amount equal to the Aggregate Initial Cut-Off Date Principal Balance shall be payable on the Initial Purchase Date in accordance with the Priority of Payments.

Consideration payable by the Issuer in respect of each sale of Additional Purchased Receivables during the Revolving Period shall be equal to the Principal Balance of the Additional Purchased Receivables as of the relevant Additional Cut-Off Date and the deferred consideration. An amount equal to the relevant Principal Balance of the Additional Purchased Receivables shall be payable on the relevant Additional Purchase Date in accordance with the Priority of Payments.

The deferred consideration payable for the sale of the Initial Purchased Receivables and the Additional Purchased Receivables is hereby referred to as the "**Deferred Purchase Price**".

## Representations and Warranties

The Seller will make certain Warranties regarding the Receivables and Ancillary Rights to the Issuer and the Trustee on the Closing Date and on each subsequent Additional Purchase Date. Though given on the Closing Date and on each subsequent Additional Purchase Date, such Warranties will relate to the Receivables and Ancillary Rights as at the relevant Cut-Off Dates.

In addition to representations and warranties in respect of the legal nature of the Receivables and their Ancillary Rights (e.g. the valid, binding and enforceable nature of the relevant Receivable and the Ancillary Rights), and representations and warranties in relation to the Seller itself (e.g. that no litigation is pending against it that would, if adversely determined, have a material and adverse effect on the collectability of the Purchased Receivables and that no insolvency proceedings have been started or threatened against it), there are also asset representations and warranties including, without limitation, the following:

- the relevant Financing Contract is denominated in Pounds Sterling;
- the related Financing Contract relates to the financing of the purchase of a single motor vehicle, motorcycle, scooter or light commercial vehicle;
- the Receivable was not overdue for an amount greater than £70 at the relevant Cut-Off Date;
- the original maturity under the related Financing Contract varies between, in respect of HP Contracts, 12 and 61 months, and in respect of PCP Contracts, 12 and 49 months.
- the Receivable was generated in the ordinary course of FRB London's business;
- the Receivable is not to an Obligor who has been declared bankrupt, insolvent or entered into an individual voluntary arrangement pursuant to the Insolvency Act within 3 years prior to the date of origination of the Receivable;
- the related Financing Contract has been entered into exclusively with an Obligor which, if it is a corporate entity has its registered office in England, Wales or Scotland, or, if it is an individual has its place of residence in England or Wales or Scotland;
- the status and enforceability of the Receivable is not impaired due to warranty

claims or any other rights of the Obligor even if the Issuer knew or could have known on the relevant Cut-Off Date of the existence of such defences or rights;

- FRB London has not done anything that would cause such Receivable to be invalid or irrevocable under the Consumer Credit Act 1974 (as amended);
- FRB London has originated the Receivable pursuant to a Financing Contract in the form of a Standard Form Contract; and
- the total outstanding amount of Purchased Receivables assigned pursuant to the Receivables Purchase Agreement resulting from relevant Financing Contracts with one and the same individual Obligor that is not a corporate entity will not exceed £1,000,000.

See the section entitled "*Summary of Principal Transaction Documents - Receivables Purchase Agreement*" for further information.

**Repurchase of the Receivables:**

The Issuer shall offer to sell and the Seller shall repurchase the relevant Purchased Receivables upon breach of Warranties (which are either not capable of remedy or if the Seller failed to remedy the relevant breach as at the end of the Monthly Period which includes the thirtieth (30th) day after the date that the Seller became aware or was notified of such breach to cure or correct such breach (the "**Cure Period**")).

**Consideration for repurchase:** The consideration payable by the Seller in respect of a repurchase of a Purchased Receivable shall (i) in respect of a Non-Conforming Receivable, be equal to the Principal Balance of such Purchased Receivable as at the relevant Repurchase Date (the "**Repurchase Amount**") or (ii) in the case of any Purchased Receivables which had not come into existence at the time of its assignment to the Issuer, an amount equal to the deemed amount of the Principal Balance of such non-existent Receivables at the date of such payment.

**Perfection Events:**

Transfer of the legal title to the relevant Purchased Receivables will be completed on the occurrence of certain Notification Events, which include insolvency of the Seller or Servicer and failure to repurchase a Non-Conforming Receivable.

See "*Perfection Event*" in the section entitled "*Triggers Tables - Non-rating Triggers Table*".

Prior to the completion of the transfer of legal title to the relevant Purchased Receivables, the Issuer will hold only the equitable title to those Purchased Receivables and will therefore be subject to certain risks as set out in the risk factor entitled "*Equitable Assignment*" in the Risk Factors section.

**Servicing of the Purchased Receivables:**

The Servicer will be appointed by the Issuer (and, in certain circumstances, the Trustee) to service the Purchased Receivables on a day-to-day basis. The appointment of the Servicer may be terminated by the Issuer, with the consent of the Trustee, or by the Trustee upon the occurrence of any of the following events (the "**Servicer Replacement Events**"):

- (a) any delay or failure (and such failure is (if capable of remedy) not remedied within three Business Days of notice of such failure being given) by the Servicer to duly observe or perform in any material respect any of its covenants or agreements which delay or failure materially and adversely affects the rights of the Issuer, the Trustee or the Noteholders, provided that such delay or failure of performance will not constitute a Servicer Replacement Event for a period of 150 days if such delay or failure was caused by an event beyond the reasonable control of the Servicer, an act of God or other similar occurrence; or

- (b) the Servicer suffers an Insolvency Event.

The Servicer may also resign upon giving not less than six months notice to the Issuer, the Trustee and the Rating Agencies provided that:

- (a) the Trustee and the Issuer consent in writing to such termination;
- (b) the Back-up Servicer has replaced the Servicer or another successor servicer has been appointed; and
- (c) notice in writing as to the replacement of the Servicer has been given to all Obligor.

**Delegation:**

The Servicer may delegate some of its servicing functions to a third party provided that the Servicer remains responsible for the performance of any functions so delegated. See the section "*Summary of the Principal Transaction Documents - Servicing Agreement*" for further information.

## SUMMARY OF THE TERMS AND CONDITIONS OF THE NOTES

*Please refer to section entitled "Terms and Conditions of the Notes" for further detail in respect of the terms of the Notes.*

### FULL CAPITAL STRUCTURE OF THE NOTES

	Class A Notes	Class B Notes	Class C Notes	Class D Notes
<b>Currency</b>	£	£	£	£
<b>Principal Amount</b>	507,500,000.00	21,500,000.00	11,000,000.00	3,780,000.00
<b>Rating Agencies</b>	S&P	S&P	N/A	N/A
	DBRS	DBRS	N/A	N/A
<b>Anticipated ratings</b>	A(sf) by S&P	BBB(sf) by S&P	No Rating	No Rating
	A(sf) by DBRS	BBB(sf) by DBRS		
<b>Note Credit Enhancement</b>	Subordination of Class B, C and D; Cash Reserve Account	Subordination of Class C and Class D Notes; Cash Reserve Account	Subordination of Class D Notes; Cash Reserve Account	Cash Reserve Account
<b>Reserve Credit Enhancement</b>	Cash Reserve Account	Cash Reserve Account	N/A	N/A
<b>Issue Price</b>	100%	100%	100%	100%
<b>Interest Rate/ Reference Rate</b>	1 month Sterling LIBOR + Relevant Margin <sup>12</sup>	1 month Sterling LIBOR + Relevant Margin <sup>12</sup>	15%	20%
<b>Relevant Margin</b>	0.80%	1.40%	N/A	N/A
<b>Interest Accrual Method</b>	Actual/365	Actual/365	Actual/365	Actual/365
<b>Interest Determination Dates</b>	<b>"LIBOR Determination Date"</b> means, in respect of the first Interest Period, the Closing Date and, in respect of each subsequent Interest Period, the Payment Date on which the relevant Interest Period commences.			
<b>Payment Dates</b>	Interest will be payable monthly in arrears on the Payment Date falling on or around the 20th of each calendar month in each calendar year, commencing on the first Payment Date.			
<b>Business Day Convention</b>	Modified Following	Modified Following	Modified Following	Modified Following
<b>First Payment Date</b>	20 February 2018	20 February 2018	20 February 2018	20 February 2018
<b>First Interest Period</b>	The period commencing on (and including) the Closing Date and ending on (but excluding) the first Payment Date falling on 20 February 2018.			
<b>Revolving Period</b>	The Revolving Period commences on the Closing Date and ends on (and excludes) the			

<sup>1</sup> The Class A Notes Interest Rate and the Class B Notes Interest Rate will be zero if the sum of 1 month Sterling LIBOR + Relevant Margin is less than zero.

<sup>2</sup> Except in the case of the first Interest Period from and including the Closing Date to (but excluding) the Payment Date falling in February 2018, an interpolation of the LIBOR for 1 week and 1 month Sterling deposits.

Amortisation Date. No principal will be paid on the Notes during the Revolving Period.

"**Amortisation Date**" means the earlier of: (i) the Payment Date following the Additional Cut-Off Date in July 2019 and (ii) the day on which an Amortisation Event has occurred.

<b>Pre- Enforcement Redemption profile</b>	Sequential pass-through redemption (Class A Notes, then Class B Notes, then Class C Notes and then Class D Notes) in accordance with the Pre-Enforcement Order of Priority. Please refer to Condition 8 ( <i>Payments</i> ).			
<b>Post- Enforcement Redemption profile</b>	Sequential pass through redemption in accordance with the Post-Enforcement Order of Priority. Please refer to Condition 12 ( <i>Enforcement</i> ).			
<b>Call Option</b>	10% clean up call. Funds available on the date fixed for redemption to satisfy all of the obligations of the Issuer under the Trust Deed, the Notes and any other liability of the Issuer ranking senior thereto or pari passu therewith pursuant to the Pre-Enforcement Order of Priority on such date. Please refer to Condition 7.3 ( <i>Optional Redemption in Whole</i> ).			
<b>Other Early Redemption in Full Events</b>	Tax call. Please refer to Condition 7.3 ( <i>Optional Redemption in Whole</i> ).			
<b>Final Maturity Date</b>	The Payment Date falling in 20 June 2025	The Payment Date falling in 20 June 2025	The Payment Date falling in 20 June 2025	The Payment Date falling in 20 June 2025
<b>Form of the Notes</b>	Bearer Global Notes	Bearer Global Notes	Bearer Global Notes	Bearer Global Notes
<b>Application for Listing</b>	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange
<b>Reg S ISIN</b>	XS1755432876	XS1755432959	XS1755433098	XS1755433171
<b>Reg S Common Code</b>	175543287	175543295	175543309	175543317
<b>Clearance/ Settlement</b>	Euroclear/ Clearstream, Luxembourg	Euroclear/ Clearstream, Luxembourg	Euroclear/ Clearstream, Luxembourg	Euroclear/ Clearstream, Luxembourg
<b>Minimum Denomination</b>	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof
<b>Regulation</b>	Regulation S	Regulation S	Regulation S	Regulation S
<b>Retained Amount</b>	Randomly selected Receivables with an aggregate Principal Balance equal to at least 5% of the Principal Balance of the Purchased Receivables as at the relevant Purchase Date where such retained Receivables would otherwise have been securitised in the securitisation in accordance with Articles 405(1)(c) of CRR, Section 5 of AIFMR (supplementing AIFMD) and Article 254 of the Solvency II Regulation.			
<b>Ranking</b>	<p>The Notes within each Class will rank <i>pari passu</i> and rateably without any preference or priority among themselves as to payments of interest and principal at all times.</p> <p>Payment of interest on the Class A Notes will rank senior to payments of interest on the other Classes of Notes. The Class A Notes will rank <i>pari passu</i> and rateably without any preference or priority among themselves as to payments of interest and principal at all times.</p> <p>Payment of interest on the Class B Notes will rank senior to payments of interest on the Class C Notes and the Class D Notes.</p> <p>Payment of interest on the Class C Notes will rank senior to payments of interest on the Class D</p>			

Notes.

Payment of principal on the Class A Notes will rank senior to payments of principal on the other Classes of Notes.

Payment of principal on the Class B Notes will rank senior to payments of principal on the Class C Notes and the Class D Notes.

Payment of principal on the Class C Notes will rank senior to payments of principal on and the Class D Notes.

The Most Senior Class Outstanding is:

- (a) the Class A Notes whilst they remain outstanding; and
- (b) thereafter the Class B Notes whilst they remain outstanding; and
- (c) thereafter the Class C Notes whilst they remain outstanding; and
- (d) thereafter the Class D Notes whilst they remain outstanding.

See Condition 6 (Interest) and Condition 8 (Payments) for further information.

### **Issuer Security**

The Notes are secured and share the same Issuer Security with the other Secured Obligations of the Issuer as set out in the Deed of Charge and the Assignment in Security as described in further detail in Condition 4 (*Security*).

The Issuer Security granted by the Issuer pursuant to the Deed of Charge includes:

- (a) an assignment by way of first fixed security of the benefit of all of its present and future right, title and interest to, in and under the Purchased Receivables;
- (b) an assignment by way of first fixed security of the benefit of all of its present and future right, title and interest to, in and under:
  - (i) the Charged Transaction Documents;
  - (ii) each other contract, agreement, deed (other than the Trust Deed, the Deed of Charge and Assignment in Security) and document, present and future, to which the Issuer is or becomes a party, including, without limitation, all rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder from time to time, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof;
- (c) first fixed security over the benefit of all of its present and future right, title and interest to, in and under any Permitted Investment;
- (d) a first fixed charge over the benefit of each account of the Issuer, other than any such accounts situated outside England and Wales (and any replacement therefor), and all of its other book debts, present and future, the proceeds of the same and all other moneys due and payable to it and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing; and
- (e) a first floating charge over the whole of the Issuer's undertaking and all the Issuer's property, assets and rights whatsoever and wheresoever present and future including, without limitation, the Issuer's uncalled capital except to the extent otherwise charged or secured under the Deed of Charge (but excepting from such exclusion the whole of the Issuer's undertaking, property, assets and rights situated in Scotland or otherwise governed by Scots law, all of which are charged by the floating charge thereby created).

In addition, as continuing security for the payment or discharge of the Secured Obligations, the Issuer will grant the Assignment in Security in favour of the Trustee, for itself and on trust for the Transaction Creditors.

Some of the other Secured Obligations rank senior to the Issuer's obligations under the Notes in respect of the allocation of proceeds as set out in the Post-Enforcement Order of Priority.

See also the following risk factor under "*Risks Relating to the Insolvency of the Issuer – Recharacterisation of fixed security interest*".

**Interest Provisions** Please refer to "*Full Capital Structure of the Notes*" as set out above and Condition 6 (*Interest*)

**Interest Deferral** To the extent that, on any Payment Date, the Issuer does not have sufficient funds to pay in full interest on the Notes other than the Most Senior Class Outstanding whilst the Most Senior Class Outstanding is a Rated Note, this payment may be deferred in accordance with Condition 6.2 (*Payment Dates and Interest Periods*).

Interest will not accrue on any deferred Accrued Interest irrespective of the period for which it remains outstanding (other than in respect of the Class C Notes, where interest will accrue on any deferred Accrued Interest).

Payment of the shortfall representing deferred Accrued Interest will be deferred until the first Payment Date on which the Issuer has sufficient funds provided that the payment of such shortfall shall not be deferred beyond the Final Maturity Date or any other date on which the Notes are to be redeemed in full. On such date, any amount which has not by then been paid in full shall become due and payable.

See also the risk factor "*Liability and Limited Recourse under the Notes*".

**Gross-up** None of the Issuer or any Agent or the Account Bank will be obliged to gross-up if there is any withholding or deduction in respect of the Notes on account of taxes.

All payments of principal and interest in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United Kingdom or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall have no obligation to pay any additional amount. However, see Condition 7.3 (*Optional Redemption in Whole*) for a description of the Issuer's right to redeem the Notes on the occurrence of certain tax-related events, including the imposition of United Kingdom withholding tax on payments in respect of the Notes.

The Purchased Receivables will not be subject to any withholding tax in the United Kingdom because the Issuer is a company that is tax resident in the United Kingdom.

**Redemption** The Notes are subject to the following optional or mandatory redemption events:

- mandatory redemption in whole on the Final Maturity Date, as fully set out in Condition 7.1 (*Final Redemption*);
- mandatory redemption in part on any Payment Date following the expiration of the Revolving Period subject to availability of Available Principal Distribution Amount on the basis of the sequential pass through of available funds, as fully set out in Condition 7.4 (*Mandatory Redemption in Part*);
- optional redemption exercisable by the Issuer in whole (but not in part) when the Aggregate Principal Balance is less than 10% of the Aggregate Initial Cut-Off Date Principal Balance of the Purchased Receivables, as fully set out in Condition 7.3 (*Optional Redemption in Whole*); and

- optional redemption exercisable by the Issuer in whole (but not in part) for tax reasons, as fully set out in Condition 7.3 (*Optional Redemption in Whole*).

Subject to the Issuer having sufficient funds available for this purpose, any Note redeemed pursuant to the above redemption provisions will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to (but excluding) the date of redemption.

**Enforcement Events** As fully set out in Condition 11 (*Enforcement Events*), which broadly includes (where relevant subject to the applicable grace period):

- (a) non-payment by the Issuer of principal or interest (other than (i) any interest which falls to be deferred pursuant to Condition 6.2 (*Interest - Payment Dates and Interest Periods*), or (ii) any principal which falls to be deferred pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*)) in respect of the Notes within two Business Days after the due date for payment thereof;
- (b) breach of contractual obligations by the Issuer under the Notes, the Conditions or any Transaction Document where such failure (i) is, in the opinion of the Trustee, incapable of remedy (other than any obligation of which breach relates to non-payment in accordance with paragraph (a) above) or (ii) continues unremedied for a period of 30 days or such longer period as the Trustee may agree after the Trustee has given written notice thereof to the Issuer;
- (c) an Insolvency Event occurs with respect to the Issuer; or

Insolvency Events include, among other things, situations where:

- (i) the Issuer is or becomes or is declared to be insolvent or unable to pay its debts or suspends or threatens to suspend making payments (whether of principal or interest) with respect to all or any class of its debts;
- (ii) the value of the assets of the Issuer is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;
- (iii) a moratorium is declared in respect of any indebtedness of the Issuer;
- (iv) the commencement of negotiations with one or more creditors of the Issuer with a view to a general readjustment, rescheduling or deferral of any indebtedness of such company or proposal to commence such negotiations.

**Enforcement** If an Enforcement Event has occurred and is continuing, the Trustee may, and shall, if so requested in writing by the holders of at least 25% of the Principal Amount Outstanding of the Most Senior Class Outstanding; or (ii) by an Extraordinary Resolution of the Noteholders of the Most Senior Class Outstanding (but only if it has been indemnified and/or secured and/or prefunded to its satisfaction) deliver an Enforcement Notice (and the Issuer shall deliver a copy to the Rating Agencies), and institute such proceedings as may be required in order to enforce the Issuer Security.

**Limited Recourse** The Notes are limited recourse obligations of the Issuer, and, if not repaid in full, amounts outstanding are subject to a final write-off, which is described in more detail in Condition 3 (*Status and Ranking of the Notes*) and Condition 11.5 (*Limited Recourse*).

**Non petition** Only the Trustee shall be entitled to petition or take any other step for the winding up or the administration of the Issuer or for the enforcement of the assets constituting the Issuer Security. Please see Condition 11.6 (*Limitation on Action*).

**Governing Law** English law.



## RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER TRANSACTION CREDITORS

Please refer to section entitled "Terms and Conditions of the Notes" for further detail in respect of the rights of Noteholders, conditions for exercising such rights and relationship with other Transaction Creditors.

**Prior to an Enforcement Event** Noteholders holding no less than 10% of the aggregate Principal Amount Outstanding of the Notes of the relevant Class or Classes then Outstanding are entitled to convene a Noteholders' meeting of such Class or Classes. Noteholders can also participate in a Noteholders' meeting convened by the Issuer or Trustee to consider any matter affecting their interests.

**Following an Enforcement Event** If an Enforcement Events occurs and is continuing, the holders of the Most Senior Class Outstanding may, if they hold at least 25% of the Principal Amount Outstanding of the Most Senior Class Outstanding or if they pass an Extraordinary Resolution, direct the Trustee to give an Enforcement Notice to the Issuer pursuant to which each Class of Notes shall become immediately due and repayable at their respective Principal Amount Outstanding together with any accrued interest, subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction.

<b>Noteholders Meeting provisions</b>	<i>Initial meeting</i>	<i>Adjourned meeting</i>
Notice period:	21 clear days	Not less than 10 clear days
Quorum for ordinary resolutions:	Two or more persons holding or representing at least 25% of the aggregate Principal Amount Outstanding of the relevant Class then Outstanding for the initial meeting.	At an adjourned meeting, two or more persons holding or representing whatever percentage of the aggregate Principal Amount Outstanding of the Notes of the relevant Class then Outstanding.
Quorum for Extraordinary Resolutions:	Two or more persons holding or representing over 50% of the aggregate Principal Amount Outstanding of the relevant Class then Outstanding for the initial meeting (other than a Basic Terms Modification, which requires two or more persons holding or representing in aggregate not less than 75% of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes then Outstanding).	At an adjourned meeting, two or more persons holding or representing whatever percentage of the aggregate Principal Amount Outstanding of the Notes of the relevant Class then Outstanding (other than a Basic Terms Modification, which requires one or more persons holding or representing not less than 33.33% of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes then Outstanding).
Required majority for ordinary resolutions:	Not less than 50.1% of the persons voting at the meeting upon a show of hands or, if a poll is demanded, not less than 50.1% of the votes cast on such poll.	Not less than 50.1% of the persons voting at the meeting upon a show of hands or, if a poll is demanded, not less than 50.1% of the votes cast on such poll.

Required majority for Extraordinary Resolutions:	for Not less than 75% of the persons voting at the meeting upon a show of hands or, if a poll is demanded, not less than 75% of the votes cast on such poll.	Not less than 75% of the persons voting at the meeting upon a show of hands or, if a poll is demanded, not less than 75% of the votes cast on such poll.
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Written Resolution: 100% of the Noteholders of the relevant Class who for the time being are entitled to receive notice of a meeting. A written resolution has the same effect as an ordinary resolution or an Extraordinary Resolution (as applicable).

**Matters requiring Extraordinary Resolution**

Broadly speaking, an Extraordinary Resolution has the power to approve the following matters:

- Basic Terms Modification;
- a modification of the Transaction Documents that is subject to approval at a meeting of Noteholders;
- a change of Trustee.

**Basic Terms Modification:**

Broadly speaking, any amendment to the following matters would be a Basic Terms Modification which requires an Extraordinary Resolution of each Class of Notes:

- (a) altering the Priority of Payments;
- (b) changing any date fixed for payment of principal or interest in respect of the relevant Class of Notes;
- (c) a modification which would have the effect of changing any day for payment of interest or any other distributions (as the case may be) in respect of such Notes;
- (d) changing any date fixed for payment of principal or interest in respect of the relevant Class of Notes;
- (e) the alteration of the Class A Notes Interest Rate, the Class B Notes Interest Rate, the Class C Notes Interest Rate or the Class D Notes Interest Rate;
- (f) the alteration of the majority or quorum required to pass an Extraordinary Resolution;
- (g) the alteration of the currency of payment of any such Notes; or
- (h) any alteration of the definition of Basic Terms Modification.

**Relationship between Classes of Noteholders**

Subject to the provisions governing a Basic Terms Modification, a resolution of Noteholders of the Most Senior Class Outstanding shall be binding on all other Classes and would override any resolutions to the contrary by them. A Basic Terms Modification requires an Extraordinary Resolution of each Class of Notes then Outstanding.

An Extraordinary Resolution of any Class of Noteholders in relation to a Basic Terms Modification shall not be effective unless it is sanctioned by: (i) an Extraordinary Resolution of Noteholders of each other Class of Notes and (ii) only in relation to any proposed amendment to the Priority of Payments the effect of which is to adversely affect the Swap Counterparty's interests in any way, the Swap Counterparty.

**Originator/Seller as Noteholder**

Until such time as the Class A Notes and the Class B Notes have been repaid in full and the remaining Notes are held in their entirety by FRB London, FirstRand International Limited or any member of the FRB Group, neither FRB London, FirstRand International Limited nor any other member of the FRB Group shall be entitled to vote at any meeting in respect of Notes held by it for its benefit.

**Relationship between Noteholders and other Transaction Creditors**

So long as any Notes are outstanding and there is a conflict between the interests of the Noteholders and the other Transaction Creditors, the Trustee will only take into account the interests of the Noteholders (and not those of any other Transaction Creditor) in the exercise of its discretion

**Provision of Information to the Noteholders**

Information in respect of the underlying Purchased Receivables will be provided to the investors on an ongoing basis. See the section entitled "General Information" for further information.

The Cash Manager will further provide an investor report on a monthly basis containing information in relation to the Notes, including, but not limited to, ratings of the Notes, amounts paid by the Issuer pursuant to the Priority of Payments in respect of the relevant period and required counterparty information.

**Communication with Noteholders**

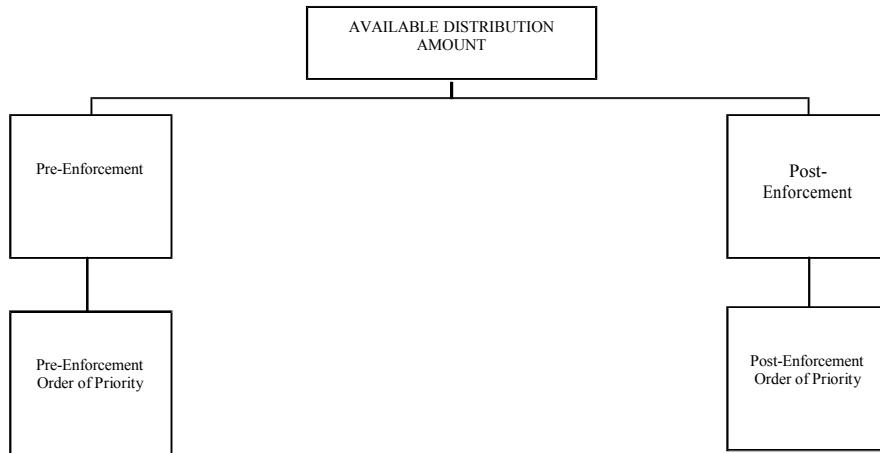
Any notice to be given by the Issuer or Trustee to Noteholders shall be given in the following manner:

- so long as the Notes are held in the Clearing Systems, by delivery to the relevant Clearing System for communication by it to Noteholders; and
- so long as the Notes are listed on the a recognised stock exchange, by delivery in accordance with the notice requirements of that exchange.

A copy of each notice given in accordance with Condition 18 (*Notices to Noteholders*) will be provided to the Rating Agencies, the Swap Counterparty and, for so long as the Notes are listed on the Irish Stock Exchange and the guidelines of the Irish Stock Exchange so require, the Irish Stock Exchange.

## CREDIT STRUCTURE AND CASHFLOW

*Please refer to the Terms and Conditions of the Notes for further detail in respect of the credit structure and cash flow of the transaction.*



**Available Distribution Amount:**

The Issuer expects to have the Available Distribution Amount for the purposes of making interest and principal payments under the Notes and the other Transaction Documents.

The "**Available Distribution Amount**" in respect of a Payment Date, means the amount calculated on the relevant Calculation Date being the sum of the following amounts:

- (i) in the case of the first Payment Date falling on 20 February 2018, the amounts standing to the credit of the Issuer Account which represent the excess of the net proceeds of the issue of the Rated Notes and the Class C Notes and the Class D Notes over the Initial Purchase Price;
- (ii) in the case of the first Payment Date falling on 20 February 2018, the Collections received from the Initial Cut-Off Date until 31 January 2018 (inclusive) and, for all subsequent Payment Dates, the Collections received for the calendar month immediately prior to each Payment Date (the "**Monthly Period**") (or, in the event payment of principal is deferred pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*), the Collections received for the Monthly Period immediately preceding the Servicing Report Delivery Failure and each subsequent Monthly Period up to and including the Monthly Period immediately preceding the relevant Payment Date); plus
- (iii) any amounts standing to the credit of the Cash Reserve Account on the relevant Calculation Date; plus
- (iv) net investment earnings from Permitted Investments as calculated on the relevant Calculation Date; plus
- (v) any amounts standing to the credit of the Issuer Account on the relevant Calculation Date which represent interest accrued on such account; plus
- (vi) any amounts standing to the credit of the Issuer Account and recorded on the Replenishment Ledger on the relevant Calculation Date; plus
- (vii) the Swap Amounts (if any) to be received by the Issuer from the Swap Counterparty; plus
- (viii) in the case of the first Payment Date falling on 20 February 2018, any VAT Adjustment Amounts received from the Initial Cut-Off Date until 31 January 2018 (inclusive) and, for all subsequent Payment Dates, any VAT Adjustment Amount received for the immediately preceding Monthly Period (or, in the event payment of principal is deferred pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*), any VAT Adjustment Amount received for the Monthly Period immediately preceding the Servicing Report Delivery Failure and each subsequent Monthly Period up to and including the Monthly Period immediately preceding the relevant Payment Date);

less:

- (ix) where the payment of principal has been deferred pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*), any amounts received by the Issuer that have been applied by the Cash Manager towards payment of interest on the Rated Notes and any other amount ranking in priority thereto in accordance with the provisions of Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*) within the period of such principal repayment deferral.

### **Revolving Period**

The Revolving Period commences on the Closing Date and ends on (and excludes) the Amortisation Date. No principal will be paid on the Notes during the Revolving Period.

During the Revolving Period, amounts may be used to purchase Additional Purchased Receivables in accordance with the Pre-Enforcement Order of Priority. If such amounts are not applied to purchase Additional Purchased Receivables, then they will be credited to the Issuer Account and recorded on the Replenishment Ledger up to an amount equal to the Replenishment Amount.

**"Replenishment Ledger"** means the ledger to be created and maintained in the Issuer Account to record the Replenishment Amount.

**"Replenishment Amount"** means, on any Calculation Date occurring during the Revolving Period, the difference, if positive, between the aggregate Principal Amount Outstanding of all Notes as at that Calculation Date and the aggregate of (a) the Performing Principal Outstanding Amount of the Loans as calculated on the relevant Calculation Date and (b) the Initial Cash Reserve Amount.

### **Amortisation Event**

The occurrence of any of the following events shall constitute an Amortisation Event:

- (a) on any Calculation Date, the Delinquency Ratio exceeds 2.5%;
- (b) on any Calculation Date, the Cumulative Net Loss Ratio exceeds 3.0%;
- (c) on two consecutive Payment Dates, the amount credited to the Issuer Account and recorded in the Replenishment Ledger after payments being made in accordance with the Pre-Enforcement Order of Priority is greater than 10% of the Aggregate Initial Cut-Off Date Principal Balance;
- (d) the occurrence of an Event of Default or Termination Event (in each case as defined in the Swap Agreement) under the Interest Rate Swap Agreement;
- (e) the occurrence of an Enforcement Event;
- (f) the occurrence of a Notification Event;

- (g) on any Payment Date, the Cash Reserve Account is not funded up to the Specified Cash Reserve Account Required Balance, provided that, if on any Payment Date during the first 4 months following the Closing Date the balance of the Cash Reserve Account is between 0.7% and 1.3% of the Aggregate Initial Cut-Off Date Principal Balance, no Amortisation Event shall occur;
- (h) on any Calculation Date, (i) the Performing Principal Outstanding Amount of the Loans plus any amounts available to be used under item j of the Pre- Enforcement Order of Priority is less than (ii) the aggregate Principal Amount Outstanding of the Rated Notes and the Class C Notes as of such Calculation Date.

**Principal Payment Amount:**

The "**Class A Principal Payment Amount**" means, as at each Calculation Date, an amount equal to the lesser of (a) the Principal Amortisation Amount and (b) the then Principal Amount Outstanding of the Class A Notes:

The "**Class B Principal Payment Amount**" means, as at each Calculation Date, an amount equal to the lesser of (a) the Principal Amortisation Amount less any Class A Principal Payment Amounts to be paid on the immediately following Payment Date and (b) the then Principal Amount Outstanding of the Class B Notes.

The "**Class C Principal Payment Amount**" means, as at each Calculation Date, an amount equal to the lesser of (a) the Principal Amortisation Amount less any Class A Principal Payment Amounts and Class B Principal Payment Amounts to be paid on the immediately following Payment Date and (b) the then Principal Amount Outstanding of the Class C Notes.

The "**Class D Principal Payment Amount**" means, as at each Calculation Date, an amount equal to the lesser of (a) the Principal Amortisation Amount less any Class A Principal Payment Amounts and Class B Principal Payment Amounts and Class C Principal Payment Amounts to be paid on the immediately following Payment Date and (b) the then Principal Amount Outstanding of the Class D Notes.

**Principal Amortisation Amount:**

On each Calculation Date falling after the end of the Revolving Period, the Cash Manager will calculate the Principal Amortisation Amount in respect of the immediately following Payment Date.

"**Principal Amortisation Amount**" means the lower of:

- (a) the Available Distribution Amount as at the Calculation Date immediately preceding the relevant Payment Date less, to the extent the Pre-Enforcement Order of Priority applies, all amounts falling due and payable under items (a) to (i) as the case may be of the Pre-Enforcement Order of Priority on such Payment Date; and
- (b) the Expected Amortisation Amount.

**Expected Amortisation Amount:**

The "**Expected Amortisation Amount**" means, as calculated on each Calculation Date, if positive:

- (a) the aggregate of (i) the Principal Amount Outstanding of all Notes as at that Calculation Date and (ii) the Initial Cash Reserve Account Increase Amount;

minus

- (b) the aggregate of (i) the Performing Principal Outstanding Amount of the Loans as calculated on the relevant Calculation Date and (ii) the Specified Cash Reserve Account Required Balance applicable to the immediately following Payment Date.

The "**Initial Cash Reserve Account Increase Amount**" means the difference between (x) an amount equal to 1.3% of the Aggregate Initial Cut-Off Date Principal Balance and (y) the Initial Cash Reserve Amount.

The "**Performing Principal Outstanding Amount of the Loans**" means, as calculated on each Calculation Date, the Aggregate Principal Balance less the Month-end Aggregate Defaulted Receivables and the Month-end Aggregate Voluntarily Terminated Receivables, in each case as at the end of the Monthly Period immediately preceding the relevant Calculation Date.

The "**Month-end Aggregate Defaulted Receivables**" means, as calculated on each Calculation Date, the aggregate Principal Balance of the Purchased Receivables that (i) have become Defaulted Receivables during the Monthly Period immediately preceding the relevant Calculation Date or (ii) remain Defaulted Receivables as at the end of such Monthly Period.

The "**Month-end Aggregate Voluntarily Terminated Receivables**" means, as calculated on each Calculation Date, the aggregate Principal Balance of the Purchased Receivables that (i) have become Voluntarily Terminated Receivables during the Monthly Period immediately preceding the relevant Calculation Date or (ii) remain Voluntarily Terminated Receivables as at the end of such Monthly Period.

#### **Summary of Priority of Payments**

Below is a summary of the relevant payment priorities.

Full details of the Pre-Enforcement Order of Priority are set out in Condition 8.8 (*Pre-Enforcement Order of Priority*).

Full details of the Post-Enforcement Order of Priority are set out in Condition 13.3 (*Post-Enforcement Order of Priority*).

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<u>Pre-Enforcement Order of Priority:</u>	<u>Post-Enforcement Order of Priority:</u>
1. Taxes payable by the Issuer	1. Receiver and Trustee fees
2. Trustee fees	2. Payments to other Transaction Parties, Administrator Recovery Incentive and custodian of the Swap Collateral Custody Account
3. Payments to other Transaction Parties, Rating Agencies and ICSDs, Administrator Recovery Incentive and custodian of the Swap Collateral Custody Account	3. Payments to Rating Agencies and ICSDs
4. Other Issuer administration costs and expenses	4. Other Issuer administration costs and expenses
5. Issuer Retained Profit	5. Issuer Retained Profit
6. Payments then payable to Swap Counterparty other than Subordinated Termination Payments	6. Payments then payable to Swap Counterparty other than Subordinated Termination Payments
7. Class A interest	7. Interest and Principal Amount Outstanding of Class A Notes
8. Class B interest	8. Interest and Principal Amount Outstanding of Class B Notes
9. Replenish Cash Reserve Account	9. Interest and Principal Amount Outstanding of Class C Notes
10. Prior to the expiration of the Revolving Period, payment for Additional Receivables	10. Swap Counterparty's Subordinated Termination Payments
11. Prior to the expiration of the Revolving Period, to the extent not used under item 10, to replenish the Replenishment Ledger up to the Replenishment Amount	11. Interest and Principal Amount Outstanding of Class D Notes
12. After the end of the Revolving Period, Class A Principal Payment Amount	12. Deferred Purchase Price to Seller
13. After the end of the Revolving Period, Class B Principal Payment Amount	
14. Amounts due and payable to the Expenses Loan Provider	
15. Class C interest	
16. After the end of the Revolving Period, Class C Principal Payment Amount	

17.	Class D interest	
18.	After the end of the Revolving Period, Class D Principal Payment Amount	
19.	Swap Counterparty's Subordinated Termination Payments	
20.	Deferred Purchase Price to Seller	

**Payments excluded from the Priority of Payments:**

All Swap Collateral, all income, interest and distributions thereon and all proceeds of redemption or liquidation thereof, all Tax Credits (as defined in the Swap Agreement) received by the Issuer on account of payments by the Swap Counterparty and all Replacement Swap Premium received from a Replacement Swap Counterparty (collectively, "**Excluded Amounts**") are excluded from the Available Distribution Amount and shall not be applied in accordance with the Priority of Payments.

**General Credit Structure**

The general credit structure of the transaction includes, broadly speaking, the following elements:

Credit and Liquidity Support:

1. Availability of monies in the Cash Reserve Account, funded from the proceeds of the issue of the Notes on the Closing Date in an amount of £3,780,000 (the "**Initial Cash Reserve Amount**"), corresponding to 0.7% of the Aggregate Initial Cut-Off Date Principal Balance, which will be topped-up (and increased to 1.3% of the Aggregate Initial Cut-Off Date Principal Balance) on each Payment Date up to the Specified Cash Reserve Account Required Balance. Any balance on the Cash Reserve Account from time to time will form part of the Available Distribution Amount. The monies in the Cash Reserve Account may be used by the Issuer to cover certain shortfalls, subject to and in accordance with the Pre-Enforcement Order of Priority.

"**Specified Cash Reserve Account Required Balance**" means an amount:

- (a) on the Closing Date, as being equal to 0.7% of the Aggregate Initial Cut-Off Date Principal Balance; or
- (b) on a Calculation Date, being equal to either:
  - (i) on each Calculation Date prior to the end of the Revolving Period, 1.3% of the Aggregate Initial Cut-Off Date Principal Balance; or
  - (ii) after the end of the Revolving Period, on each Calculation Date prior to the earlier of (x) the redemption in full of the Rated Notes or (y) the Payment Date on which the Principal Amount Outstanding of the Rated Notes becomes equal to or less than the balance standing to the credit of the Cash Reserve Account immediately prior to such Payment Date, 1.3% of the Aggregate Principal Balance as at the end of the immediately preceding Monthly Period subject to a minimum of 0.5% of the Aggregate Initial Cut-Off Date Principal Balance; or

- (iii) on each Calculation Date following the earlier of (x) the redemption in full of the Rated Notes, (y) the Payment Date on which the Principal Amount Outstanding of the Rated Notes becomes equal to or less than the balance standing to the credit of the Cash Reserve Account immediately prior to such Payment Date, or (z) the Payment Date preceding the Final Maturity Date, zero.
2. Junior Classes of Notes will be subordinated to more senior Classes of Notes, thereby ensuring that available funds are applied to the Most Senior Class Outstanding in priority to more junior Classes of Notes.

See the Terms and Conditions of the Notes.

Hedging:

- 1. Availability of an interest rate swap provided by the Swap Counterparty to hedge against the possible variance between the fixed interest rates payable in respect of the Purchased Receivables and the LIBOR based interest rates payable in respect of the Class A Notes and the Class B Notes. See the section entitled "*Summary of the Principal Transaction Documents - Interest Rate Swap Agreement*"

**Cumulative Net Loss Ratio:**

The Cumulative Net Loss Ratio means, as calculated on any Calculation Date, the ratio, expressed as a percentage (rounded downwards to two decimal places) of:

- (a) the Principal Loss as at the end of the Monthly Period immediately preceding such Calculation Date;

to

- (b) the Aggregate Initial Cut-Off Date Principal Balance plus the aggregate Principal Balances of any Additional Purchased Receivables as of each relevant Additional Cut-Off Date occurring before such Calculation Date.

**Delinquency Ratio:**

The Delinquency Ratio means, as calculated on any Calculation Date, the ratio, expressed as a percentage (rounded downwards to two decimal places) of:

- (a) the aggregate Principal Balance of each Delinquent Receivable as at the end of the Monthly Period immediately preceding such Calculation Date;

to

- (b) the Performing Principal Outstanding Amount of the Loans as calculated on such Calculation Date (for the avoidance of doubt excluding any Additional Purchased Receivables to be purchased on the Payment Date following such Calculation Date).

**Principal Loss:**

The Principal Loss means, as at a relevant date:

- (a) the aggregate of:
  - (i) the Principal Balance of each Purchased Receivable that has become a Defaulted Receivable (including, for the avoidance of doubt, in respect of any Defaulted Receivable which is a PCP Contract, the Final Payment Amount) in each case as determined at the point at which such Purchased Receivable became a Defaulted Receivable; and

- (ii) the portion remaining unpaid by an Obligor of the Principal Balance of each Purchased Receivable where a Voluntary Termination has been exercised (as determined at the point at which such Voluntary Termination is exercised),

in each case, since the relevant Cut-Off Date, less

- (b) any amounts received as a result of recovery procedures carried out by the Servicer in relation to Defaulted Receivables and Voluntary Terminations for the same period, plus
- (c) the aggregate of the PCP GFV Loss of each Purchased Receivable that is a Redelivery PCP Contract and where either:
  - (i) the Redelivered Vehicle has been sold by the Servicer since the relevant Cut-Off Date;
  - (ii) the Redelivered Vehicle has become an Unsold Redelivered Vehicle since the relevant Cut-Off Date, less
- (d) any other proceeds related to all Redelivery PCP Contracts for the same period.

### Bank Account and Cash Management

The Collections are received by the Seller in the Collection Accounts. Interest and principal payments are received throughout the month with a certain concentration on the first day of the month.

Weekly, at the close of each Transfer Date, the Servicer will transfer the Collections received in the Collection Accounts to the Issuer Account. On each Payment Date, monies in the Issuer Account will be applied by the Cash Manager in accordance with the relevant Priority of Payments.

The Servicer is also required to submit to the Issuer, the Trustee, the Swap Counterparty and the Cash Manager a monthly report (the "**Servicing Report**") on the 10th day of each calendar month (or if this is not a Business Day, on the next succeeding Business Day) following the provision of the first Servicing Report on 12 February 2018 the "**Servicing Report Performance Date**") on certain matters relating to the Purchased Receivables for the period from the last date covered by the previous Servicing Report.

In the event that the Cash Manager does not receive, or there is a delay in the receipt of, some or all the information necessary for it to prepare the Investor Report in respect of any Calculation Date (a "**Servicing Report Delivery Failure**") but the Cash Manager determines that the amounts standing to the credit of the Issuer Account and the Cash Reserve Account (provided that amounts standing to the credit of the Cash Reserve Account shall only be used to the extent that amounts standing to the credit of the Issuer Account are insufficient to make the required payments and, then only, amounts standing to the credit of the Cash Reserve Account shall only be used to the extent required to make the necessary payments) are sufficient to pay the interest due on the Rated Notes and any other amount ranking in priority thereto pursuant to the Pre-Enforcement Order of Priority of which it has been notified, no amount ranking below such amounts in the Pre-Enforcement Order of Priority (including principal in respect of any Class of Notes) will be payable on any such Payment Date or any subsequent Payment Date until the earliest of (i) the Payment Date immediately following the provision of a Servicing Report by the Servicer (or any replacement servicer) on a Servicing Report Performance Date, (ii) the Final Maturity Date or (iii) the delivery of an Enforcement Notice. Interest will continue to accrue on the Principal Amount Outstanding of the Notes deferred pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*) in accordance with the provisions set out in Condition 6 (*Interest*).

The Account Bank will invest amounts standing to the credit of the Issuer Account and the Cash Reserve Account from time to time in Permitted Investments. The Account Bank shall invest such amounts on the instruction of the Cash Manager who shall give such instruction at the direction of the Servicer (acting on behalf of the Issuer). Net investment earnings from deposits in the Issuer Account, the Cash Reserve Account and Permitted Investments related thereto will belong to the Issuer.

**Summary of  
certain  
hedging terms**

The Interest Rate Swap Agreement has the following commercial terms:

- Initial Notional Amount: GBP 529,000,000.00.
- Issuer fixed payment rate: GBP 0.949%
- Swap Counterparty floating rate payment: LIBOR for one- month Sterling deposits provided that, for the purposes of any negative floating amount to be paid by the Issuer to the Swap Counterparty, the Zero Interest Rate Method (as defined in the Swap Agreement) will apply.

## TRIGGERS TABLES

### Rating Triggers Table

Transaction Party	Required Ratings/Triggers	Possible effects of Trigger being breached include the following
<p>Swap Counterparty (or any successor thereto or guarantor thereof):</p>	<p>The Required Rating or the Second Required Rating (as applicable).</p> <p><b>"Required Rating"</b> means, with respect to DBRS, the long-term unsecured and unsubordinated debt or counterparty obligations must be rated at least "A" by DBRS or, with respect to S&amp;P, the minimum required ratings for the S&amp;P Option then in effect pursuant to the Interest Rate Swap Agreement.</p> <p><b>"Second Required Rating"</b> means, with respect to DBRS, the long-term unsecured and unsubordinated debt or counterparty obligations must be rated at least "BBB" by DBRS or, with respect to S&amp;P, the minimum required ratings for the S&amp;P Option then in effect pursuant to the Interest Rate Swap Agreement.</p> <p><b>"S&amp;P Option"</b> means, on any date, the option which applies to the terms of the Interest Rate Swap Agreement and which may be either S&amp;P Option 1, S&amp;P Option 2, S&amp;P Option 3 or S&amp;P Option 4 as the case may be (or any other applicable option which may be published by S&amp;P from time to time).</p>	<ul style="list-style-type: none"> <li>• collateral posting</li> <li>• guarantee of Swap Counterparty's obligations</li> <li>• replacement of Swap Counterparty</li> </ul> <p>The consequences of the relevant required rating being breached are set out in more detail in <i>"Summary of Principal Transaction Documents - Swap Agreement: Interest Rate Swap Agreement"</i>.</p>
<p>Account Bank:</p>	<p>(i) in the case of S&amp;P, a short-term, unsecured, unsubordinated and unguaranteed debt rating of at least A-1 by S&amp;P (if a short-term rating is assigned by S&amp;P) and a long-term unsecured, unsubordinated and unguaranteed debt rating of at least A by S&amp;P, or should the relevant person not benefit from a short-term unsecured, unsubordinated and unguaranteed rating of at least A-1 from S&amp;P, a long-term unsecured, unsubordinated and unguaranteed rating of at least A+ by S&amp;P; and</p> <p>(ii) in the case of DBRS, a long-term DBRS Institution Rating of at least the rating specified in the DBRS Ratings Table below in column B where the relative outstanding most senior Notes' rating is at the rating specified in column A below,</p> <p>, in each case, such other credit rating which is otherwise acceptable to the relevant Rating Agency.</p>	<ul style="list-style-type: none"> <li>• replacement of Account Bank</li> <li>• guarantee of Account Bank's obligations</li> </ul> <p>The consequences of the relevant required rating being breached are set out in more detail in <i>"Summary of Principal Transaction Documents - Account Agreement"</i>.</p>

**“DBRS Institution Rating”:** the rating for an institution acting in the capacity of an account bank is the higher of:

- (a) a rating one notch below the institution’s long-term Critical Obligations Rating ("**COR**"); and
- (b) the institution’s issuer rating or long-term senior unsecured debt or deposit rating.

Remedial action is required to be taken by the Issuer within 30 calendar days of the date on which the Account Bank ceases to have the Minimum Rating.

If a long-term COR is not available from DBRS on such person, the higher of the such person's issuer rating, long-term senior unsecured debt rating or deposit rating in accordance DBRS Ratings Table below (or, if such person is not rated by DBRS, then the DBRS Equivalent Rating)

DBRS Ratings Table:

<b>Column A</b>	<b>Column B</b>
<b>Rating assigned to the outstanding most senior Notes</b>	<b>Minimum DBRS Institution Rating</b>
AAA	A (high)
AA (high)	A
AA	A (low)
AA (low)	A (low)
A (high)	BBB (high)
A	BBB

## Non-Rating Triggers Table

Nature of Trigger	Description of Trigger	Consequence of Trigger
Perfection Events	<p>The occurrence of any of the following Notification Events:</p> <p><i>Non-Payment:</i> FRB London fails to pay any amount due under any Transaction Documents within three Business Days after the earlier of its becoming aware of such default and its receipt of written notice by or on behalf of the Trustee requiring the same to be remedied;</p> <p><i>Insolvency Event:</i> an Insolvency Event, in respect of the Seller or the Servicer;</p> <p><i>Encumbrance:</i> FRB London creates or grants any Encumbrance or permits any Encumbrance to arise or purports to create or grant any Encumbrance or purports to permit any Encumbrance to arise over or in relation to (1) any Purchased Receivable; (2) any right, title or interest of the Issuer in relation to a Purchased Receivable or Collections; or (3) any proceeds of or sums received or payable in respect of a Purchased Receivable;</p> <p><i>Dispute:</i> FRB London disputes, in any manner, the validity or efficacy of any sale and purchase of a Receivable under the Receivables Purchase Agreement and as a result, in the reasonable opinion of the Trustee, there is, or is likely to be, a Material Adverse Effect on the ability of FRB London to perform its obligations under the Transaction Documents or the enforceability, collectability or origination of the Purchased Receivables;</p> <p><i>Illegality:</i> it becomes impossible or unlawful for FRB London to continue its business and/or discharge its obligations as contemplated by the Transaction Documents and as a result, in the reasonable opinion of the Trustee, there is, or is likely to be, a Material Adverse Effect on the ability of FRB London to perform its obligations under the Transaction Documents or the enforceability, collectability or origination of the Purchased Receivables;</p> <p><i>Failure to repurchase:</i> FRB London fails to (i) repurchase a Non-Conforming Receivable having become obliged to do so pursuant to Clause 10 (<i>Repurchase</i>) of the Receivables Purchase Agreement or (ii) pay any amount required pursuant to Clause 11 (<i>Payment for Non-Existent Receivables</i>) of the Receivables Purchase Agreement.</p> <p><i>Servicer Replacement Event:</i> a Servicer Replacement Event.</p>	<p>Obligors will be notified of the sale of the Purchased Receivables to the Issuer and legal title to the Purchase Receivables will be transferred to the Issuer.</p>
Servicer Replacement Events	<p>The occurrence of any of the following:</p> <ul style="list-style-type: none"> <li>• any delay or failure (and such failure is (if capable of remedy) not remedied within three Business Days of notice of such failure being given) by the Servicer to duly observe or perform in any material respect any of its covenants or agreements which delay or failure materially and adversely affects the rights of the Issuer, the Trustee or the Noteholders, provided that such delay</li> </ul>	<p>Termination of appointment of Servicer.</p> <p>Back-up Servicer to replace Servicer.</p>



or failure of performance will not constitute a Servicer Replacement Event for a period of 150 days if such delay or failure was caused by an event beyond the reasonable control of the Servicer, an act of God or other similar occurrence; or

- the Servicer suffers an Insolvency Event.

Cash Manager  
Termination  
Events

The occurrence of any of the following:

- the Cash Manager fails to direct the Account Bank to make any payment;
- non-compliance with covenants or obligations which, in aggregate, is materially prejudicial to the interests of the Noteholders; or
- certain insolvency events in respect of the Cash Manager;
- it becomes unlawful for the Cash Manager to perform its obligations; or
- an Enforcement Notice is given by the Trustee and the Trustee determines that termination of the Cash Manager's appointment is necessary to protect the interests of the Noteholders.

Termination of  
appointment of Cash  
Manager.

## **USE OF PROCEEDS**

The aggregate gross proceeds from the Notes amount to approximately £543,780,000.00 and will be used to purchase the Initial Purchased Receivables from the Seller, to endow the Cash Reserve Account with £3,780,000, being the Initial Cash Reserve Amount, and to pay certain initial costs of the transaction.

## DESCRIPTION OF THE PURCHASED RECEIVABLES

The Purchased Receivables are receivables from motor vehicle, light commercial vehicle, motorcycle or scooter Financing Contracts originated by the Seller through vetted motor dealers. The Financing Contracts contain the Seller's standard financing terms and are HP Contracts or PCP Contracts. The Financing Contracts have been entered into by the Seller in the name of Carlyle Finance or MotoNovo Finance. Carlyle Finance and MotoNovo Finance are FRB trade names originally registered with the Office of Fair Trading. MotoNovo Finance is an FRB trade name registered with the Financial Conduct Authority. Carlyle Finance was an FRB trade name registered with the Financial Conduct Authority until 15 February 2012. The Financed Objects are new or used motor vehicles, light commercial vehicles, motorcycles or scooters and each Financing Contract has been entered into with individuals or with companies.

### **Hire purchase contracts**

The HP Contracts contain standard rental terms where an initial deposit is usually made and then the balance is typically amortised in equal payment instalments. At the end of the term of the HP Contract, after any additional Option to Purchase Fee is paid, the Obligor owns the vehicle.

Payment instalments under the HP Contracts are due on a monthly basis and carry a fixed rate of return, typically amortised in equal monthly instalments over the repayment period which varies between 12 and 61 months. Any upfront fee payable by Obligor will not comprise part of the Principal Balance of the Purchased Receivables.

Any upfront fee payable by Obligor in relation to the HP Contract will not comprise part of the Principal Balance of the Purchased Receivables.

### **HP+ Contracts**

The HP+ Contracts are HP Contracts which are entered into with Obligor together with separate unsecured loans, the HP+ Unsecured Loan(s). The HP+ Contracts contain standard rental terms where an initial deposit is usually paid and then the balance of both the HP Contract and any related HP+ Unsecured Loan is typically amortised in equal monthly instalments. At the end of the term of the HP+ Contract, after an additional Option to Purchase Fee is paid (if applicable), the Obligor owns the Financed Object.

Payment instalments under the HP Contracts and any related HP+ Unsecured Loan(s) are due on a monthly basis and carry a fixed rate of return, typically amortised in equal monthly instalments over the repayment period, which varies between 12 and 61 months for both the HP Contract and any related HP+ Unsecured Loan.

Any upfront fee payable by Obligor in relation to the HP Contract will not comprise part of the Principal Balance of the Purchased Receivables and any amounts due and payable by Obligor under the HP+ Unsecured Loans will not comprise the Purchased Receivables.

### **Personal Contract Purchase Contracts**

The PCP Contracts contain standard rental terms where an initial deposit is made and then the balance is typically amortised in equal payment instalments, with a Final Payment Amount at the end of the term of the PCP Contract which is larger than the preceding monthly instalments, where the Obligor can choose to either (a) settle the contract by paying the Final Payment Amount (and any Option to Purchase Fee) and thereby purchase the vehicle or, (b) subject to the payment of all amounts due under the contract (including excess mileage and other charges) and the Obligor's compliance with the terms of the Financing Contract, return the vehicle to FRB in full and final settlement of the PCP Contract.

Payment instalments under the PCP Contracts are due on a monthly basis and carry a fixed rate of return, typically amortised in equal monthly instalments over the repayment period which varies between 12 and 49 months with an additional balloon payment for the Final Payment Amount. The Final Payment Amount will be paid by the Obligor to the Servicer and will be remitted by the Servicer into the Collection Account for the benefit of the Issuer. Any upfront fee payable by Obligor will not comprise part of the Principal Balance of the Purchased Receivables.

## SUMMARY OF PRINCIPAL TRANSACTION DOCUMENTS

The description of certain of the Transaction Documents set out below is a summary of certain features of such documents and is qualified by reference to the detailed provisions thereof.

### Receivables Purchase Agreement

On the Closing Date, the Seller and the Issuer will enter into an agreement (the "**Receivables Purchase Agreement**") pursuant to which the Issuer will, on the Initial Purchase Date, purchase from the Seller the Initial Purchased Receivables (comprising the pool of Receivables as at the Initial Cut-Off Date but excluding accrued interest up to such date), and on Additional Purchase Dates during the Revolving Period, the Issuer will purchase from the Seller certain Additional Receivables.

During the Revolving Period the Seller may sell at its discretion on each Additional Purchase Date, on the terms and conditions described in the Receivables Purchase Agreement, additional Receivables (the "**Additional Purchased Receivables**") (but excluding accrued interest up to such date) to the Issuer (and in the case of Additional Purchased Receivables governed by Scottish law, the Seller will hold such Additional Purchased Receivables on trust for the Issuer) up to an aggregate amount equal to the Replenishment Amount, pursuant to item (j) of the Pre-Enforcement Order of Priority.

### *Warranties and Representations for the Sale of the Initial Purchased Receivables*

In the Receivables Purchase Agreement the Seller will warrant and represent the following, as at the Initial Cut-Off Date, in relation to the Initial Purchased Receivables sold by it on the Initial Purchase Date:

- (a) each related Financing Contract was randomly selected;
- (b) each related Financing Contract relates to the financing of the purchase of a single motor vehicle, motorcycle, scooter or light commercial vehicle;
- (c) no Initial Purchased Receivable was overdue for an amount greater than £70 at the Initial Cut-Off Date;
- (d) each Obligor has made at least one scheduled instalment under the Financing Contract and no more than one scheduled instalment was overdue in respect of each Initial Purchased Receivable;
- (e) no Initial Purchased Receivable was overdue for more than 30 days at the Initial Cut-Off Date;
- (f) no Initial Purchased Receivable was a Defaulted Receivable;
- (g) that terminations of the relevant Financing Contracts have not occurred and are not pending and that the relevant Financing Contract is not subject to force majeure or any right of rescission or any right or entitlement of any kind for the non-payment of the full amount due under the relevant Financing Contract;
- (h) on the Initial Cut-Off Date at least one instalment has been paid in respect of each of the Initial Purchased Receivables;
- (i) the aggregate Principal Balance of the Initial Purchased Receivables resulting from Financing Contracts entered into with the largest single individual Obligor that is not a corporate entity is equal or less than: (i) 0.20% of the Aggregate Principal Balance of the Purchased Receivables in the Portfolio, and (ii) £1,000,000;
- (j) the aggregate Principal Balance of the Initial Purchased Receivables resulting from Financing Contracts entered into with the largest corporate Obligor is equal or less than (i) 0.3% of the Aggregate Principal Balance of the Purchased Receivables in the Portfolio, and (ii) £3,000,000;
- (k) the aggregate Principal Balance of the Initial Purchased Receivables resulting from Financing Contracts entered into with the 10 largest corporate Obligors is equal or less than (i) 1.00% of the Aggregate Principal Balance of the Purchased Receivables in the Portfolio, and (ii) £10,000,000;

- (l) the aggregate Principal Balance of the Initial Purchased Receivables resulting from Financing Contracts entered into with the 10 largest single individual Obligor that are not corporate entities is equal or less than (i) 0.50% of the Aggregate Principal Balance of the Purchased Receivables in the Portfolio, and (ii) £3,000,000;
- (m) that under each Financing Contract that is regulated by the Consumer Credit Act 1974 (as amended) as at the Initial Cut-Off Date no right of cancellation has arisen (except for any rights under Sections 56 and 67 of the Consumer Credit Act 1974);
- (n) that (according to FRB London's records as at the Initial Cut-Off Date) no insolvency proceedings have been initiated against any of the Obligors during the term of the relevant Financing Contracts up to the Initial Cut-Off Date;
- (o) each Initial Purchased Receivable is not to an Obligor who has been declared bankrupt, insolvent or entered into an individual voluntary arrangement pursuant to the Insolvency Act within 3 years prior to the date of origination of the Initial Purchased Receivable;
- (p) the relevant Financing Contracts constitute legal, valid, binding and enforceable agreements, except as such enforcement may be limited by bankruptcy, insolvency or administration proceedings;
- (q) the Initial Purchased Receivables are assignable and the relevant Financing Contracts do not contain any requirement for the Obligor's consent to be required for the assignment or any confidentiality provisions which would restrict the Seller's right to assign;
- (r) the Seller can dispose of the Initial Purchased Receivables free from rights of third parties;
- (s) no liens, encumbrances or other security exist over the Initial Purchased Receivables and the Initial Purchased Receivables are not subject to any dispute, counterclaim or repurchase obligation as determined by MotoNovo Finance in the ordinary course of business;
- (t) the Initial Purchased Receivables are free of defences, whether pre-emptory or otherwise for the agreed term of the Financing Contract as well as free from rights of third parties and that the Obligors in particular have not exercised any set-off claim;
- (u) the status and enforceability of the Initial Purchased Receivables is not impaired due to warranty claims or any other rights of the Obligor even if the Issuer knew or could have known on the Initial Cut-Off Date of the existence of such defences or rights;
- (v) the status and enforceability of the Initial Purchased Receivables is not impaired by set-off rights even if the Issuer knew or could have known on the relevant Additional Cut-Off Date of the existence of such defences or rights;
- (v) none of the Obligors is an Affiliate of FRB London or an employee of FirstRand Bank Limited; (including, for the avoidance of doubt, any employee working for FirstRand Bank Limited under the trade name MotoNovo Finance);
- (w) the related Financing Contracts are governed by the laws of England and Wales or Scotland;
- (x) the related Financing Contracts have been entered into exclusively with Obligors which, if they are corporate entities have their registered office in England, Wales or Scotland, or, if they are individuals have their place of residence in England, Wales or Scotland;
- (y) FRB London had at the time of the origination of the Financing Contracts under which such Initial Purchased Receivables arise the necessary licences pursuant to the Consumer Credit Act 1974 (as amended) and as at the date of the Receivables Purchase Agreement has the necessary permissions pursuant to FSMA, and each Financing Contract that is regulated by the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 complies with the Consumer Credit Act 1974 (as amended), any statutory instrument or regulation made thereunder and the rules in the Consumer Credit Sourcebook within the FCA Handbook and, to the best of the Seller's knowledge, the UTCC Regulations and CRA15, and the Seller has not done anything that would cause such Purchased Receivable to be unenforceable under the Consumer Credit Act 1974 (as amended);
- (z) FRB London has not done anything that would cause such Initial Purchased Receivable to be invalid or

irrevocable under the Consumer Credit Act 1974 (as amended);

- (aa) FRB London has complied with all material laws and regulations (including, without limitation, under the Data Protection Act 1998) with respect to each of the Initial Purchased Receivables;
- (bb) FRB London has originated each Initial Purchased Receivable pursuant to a Financing Contract in the form of a Standard Form Contract;
- (cc) each Initial Purchased Receivable was generated in the ordinary course of FRB London's business from the sale of goods or provision of credit or other services to the relevant Obligor and the related Financing Contract was entered into in accordance with the Customary Operating Practices;
- (dd) FRB London holds legal title to the related Financed Objects;
- (ee) the relevant Financing Contracts are denominated in Pounds Sterling;
- (ff) the terms and conditions of each related Financing Contract which is a HP Contract provide for fixed monthly payments and may include a final balloon payment;
- (gg) the terms and conditions of each Financing Contract which is a PCP Contract provide for fixed monthly payments and, at the end of the contract term, either (i) the payment of the Final Payment Amount and any Option to Purchase Fee or (ii) the return of the Financed Object to the Seller in lieu of payment of such Final Payment Amount;
- (hh) the original maturity under the related Financing Contracts varies between, in respect of HP Contracts, 12 and 61 months, and in respect of PCP Contracts, 12 and 49 months.
- (ii) the date on which the vehicle was first registered is no earlier than 1 January 2006;
- (jj) the Original LTV of each HP Contract and PCP Contract is no more than 125%;
- (kk) no Initial Purchased Receivable has been subject to any variation, amendment, modification, waiver or exclusion of any kind which in any material way adversely affects the terms of the Initial Purchased Receivables or its enforceability or collectability;
- (ll) that, to the best of FRB London's knowledge, the relevant Financing Contract was not entered into fraudulently by the relevant Obligor;
- (mm) no Initial Purchased Receivable has been passed on to the legal department or referred to external lawyers, to the extent that such referral may reasonably be expected to have a material adverse effect on the Initial Purchased Receivables, other than the issue by FRB London of letters demanding payment in the ordinary course of business;
- (nn) the relevant Financing Contract was not entered into as a consequence of any conduct constituting fraud, misrepresentation, duress or undue influence by FRB London, its directors, officers, employees or agents or by any other person acting on behalf of FRB London;
- (oo) the relevant Financing Contracts are not Rate-for-Risk Contracts;
- (pp) the aggregate Principal Balance of the Initial Purchased Receivables resulting from Financing Contracts which are PCP Contracts is equal to or less than 20% of the Aggregate Principal Balance of the Initial Purchased Receivables in the Portfolio;
- (qq) the aggregate Principal Balance of the Initial Purchased Receivables resulting from Financing Contracts which are HP+ Contracts is equal to or less than 10% of the Aggregate Principal Balance of the Initial Purchased Receivables;
- (rr) the aggregate Principal Balance of the Initial Purchased Receivables resulting from Financing Contracts with vehicles which are Designated Vehicles is equal to or less than 22% of the Aggregate Principal Balance of the

Initial Purchased Receivables in the Portfolio;

- (ss) the aggregate Principal Balance of the Initial Purchased Receivables resulting from Financing Contracts with vehicles which are motorcycles or scooters is equal to or less than 5% of the Aggregate Principal Balance of the Initial Purchased Receivables in the Portfolio;
- (tt) the aggregate Principal Balance of the Initial Purchased Receivables relating to light commercial vehicles does not exceed 15% of the Aggregate Principal Balance of the Initial Purchased Receivables in the Portfolio;
- (uu) in relation to the PCP Contracts, the aggregate PCP Residual Value in respect of all PCP Contracts in the Portfolio is equal to or less than 15% of the Aggregate Principal Balance of the Initial Purchased Receivables in the Portfolio; and
- (vv) no Initial Purchased Receivable comprises a HP+ Unsecured Loan.

*Warranties and Representations for each Sale of Additional Receivables*

FRB London will warrant and represent the following, as at the relevant Additional Cut-Off Date, in relation to the Additional Receivables sold by it on the relevant Additional Purchase Date:

- a) each related Financing Contract has been randomly selected;
- b) each related Financing Contract relates to the financing of the purchase of a single motor vehicle, motorcycle, scooter or light commercial vehicle;
- c) no Additional Purchased Receivable was overdue at the relevant Additional Cut-Off Date for an amount greater than £70;
- d) each Obligor has made at least one scheduled instalment under the Financing Contract and no more than one scheduled instalment was overdue in respect of each Additional Purchased Receivable;
- e) no Additional Purchased Receivable was overdue for more than 30 days at the respective Additional Cut-Off Date;
- f) no Additional Purchased Receivable was a Defaulted Receivable;
- g) that terminations of the relevant Financing Contracts have not occurred and are not pending and that the relevant Financing Contract is not subject to force majeure or any right of rescission or any right or entitlement of any kind for the non-payment of the full amount due under the relevant Financing Contract;
- h) on the respective Additional Cut-Off Date at least one instalment has been paid in respect of each of the Additional Purchased Receivables;
- i) under each related Financing Contract that is regulated by the Consumer Credit Act 1974 (as amended) as at the relevant Additional Cut-Off Date no right of cancellation has arisen (except for any rights under Sections 56 and 67 of the Consumer Credit Act 1974);
- j) according to FRB London's records as at the relevant Additional Cut-Off Date, no insolvency proceedings have been initiated against any of the Obligors of the Additional Purchased Receivables during the term of the relevant Financing Contracts up to the relevant Additional Cut-Off Date;
- k) each Additional Purchased Receivable is not to an Obligor who has been declared bankrupt, insolvent or entered into an individual voluntary arrangement pursuant to the Insolvency Act within 3 years prior to the date of origination of the Additional Purchased Receivable;
- l) the purchase of Additional Purchased Receivables does not result in any of the following concentration limits being breached:
  - (i) the aggregate Principal Balance of the Purchased Receivables which are HP Contracts which include a final balloon payment does not exceed 5% of the Aggregate Principal Balance of the Purchased Receivables in the Portfolio immediately after the inclusion of the relevant Additional Purchased

Receivables on the relevant Additional Purchase Date;

- (ii) the aggregate Principal Balance of the Purchased Receivables relating to light commercial vehicles does not exceed 15% of the Aggregate Principal Balance of the Purchased Receivables in the Portfolio immediately after the inclusion of the relevant Additional Purchased Receivables on the relevant Additional Purchase Date;
  - (iii) the Weighted Average Effective Rate applicable to the Purchased Receivables in the Portfolio immediately after the inclusion of the relevant Additional Purchased Receivables on the relevant Additional Purchase Date is at least equal to 9%;
  - (iv) the Weighted Average Original LTV of the Purchased Receivables in the Portfolio immediately after the inclusion of the relevant Additional Purchased Receivables on the relevant Additional Purchase Date does not exceed 100%;
  - (v) the Weighted Average Remaining Term of the Purchased Receivables in the Portfolio immediately after the inclusion of the relevant Additional Purchased Receivables on the relevant Additional Purchase Date does not exceed 50 months;
  - (vi) the aggregate Principal Balance of the Purchased Receivables resulting from Financing Contracts entered into with the largest single individual Obligor that is not a corporate entity immediately after the inclusion of the relevant Additional Purchased Receivables is equal or less than (i) 0.2% of the Aggregate Principal Balance of the Purchased Receivables in the Portfolio, and (ii) £1,000,000;
  - (vii) the aggregate Principal Balance of the Purchased Receivables resulting from Financing Contracts entered into with the largest corporate Obligor immediately after the inclusion of the relevant Additional Purchased Receivables is equal or less than (i) 0.3% of the Aggregate Principal Balance of the Purchased Receivables in the Portfolio and (ii) £3,000,000;
  - (viii) the aggregate Principal Balance of the Purchased Receivables resulting from Financing Contracts entered into with the 10 largest corporate Obligors immediately after the inclusion of the relevant Additional Purchased Receivables is equal or less than (i) 1.00% of the Aggregate Principal Balance of the Purchased Receivables in the Portfolio and (ii) £10,000,000;
  - (ix) the aggregate Principal Balance of the Purchased Receivables resulting from Financing Contracts entered into with the 10 largest single individual Obligors immediately after the inclusion of the relevant Additional Purchased Receivables is equal or less (i) than 0.5%, of the Aggregate Principal Balance of the Purchased Receivables in the Portfolio and (ii) £3,000,000; and
  - (x) in relation to the PCP Contracts, the aggregate PCP Residual Value in respect of all PCP Contracts in the Portfolio immediately after the inclusion of the relevant Additional Purchased Receivables is equal to or less than 15% of the Aggregate Principal Balance of the Purchased Receivables in the Portfolio;
- m) the relevant Financing Contracts constitute legal, valid, binding and enforceable agreements, except as such enforcement may be limited by bankruptcy, insolvency or administration proceedings;
  - n) the Additional Purchased Receivables are assignable and the relevant Financing Contracts do not contain any requirement for the Obligor's consent to be required for the assignment or any confidentiality provisions which would restrict the Seller's right to assign;
  - o) the Seller can dispose of the Additional Purchased Receivables free from rights of third parties;
  - p) no liens, encumbrances or other security exist over the Additional Purchased Receivables and the Additional Purchased Receivables are not subject to any dispute, counterclaim or repurchase obligation as determined by MotoNovo Finance in the ordinary course of business;
  - q) the Additional Purchased Receivables are free of defences, whether pre-emptory or otherwise for the agreed term of the relevant Financing Contract as well as free from rights of third parties and that the Obligors in particular have not exercised any set-off claim;



- r) the status and enforceability of the Additional Purchased Receivables is not impaired due to warranty claims or any other rights of the Obligor even if the Issuer knew or could have known on the relevant Additional Cut-Off Date of the existence of such defences or rights;
- s) the status and enforceability of the Additional Purchased Receivables is not impaired by set-off rights even if the Issuer knew or could have known on the relevant Additional Cut-Off Date of the existence of such defences or rights;
- t) none of the Obligors of Additional Purchased Receivables is an Affiliate of FRB London or an employee of FirstRand Bank Limited (including, for the avoidance of doubt any employee working for FirstRand Bank Limited under the trade name MotoNovo Finance);
- u) the related Financing Contracts are governed by the laws of England and Wales or Scotland;
- v) the related Financing Contracts have been entered into exclusively with Obligors which, if they are corporate entities have their registered office in England, Wales or Scotland or, if they are individuals have their place of residence in England, Wales or Scotland;
- w) FRB London had at the time of the origination of the Financing Contracts under which such Additional Purchased Receivables arise the necessary licences pursuant to the Consumer Credit Act 1974 (as amended), and each Financing Contract that is regulated by the Consumer Credit Act 1974 (as amended) complies with the Consumer Credit Act 1974 (as amended) and any statutory instrument or regulation made thereunder and, to the best of the Seller's knowledge, the UTCC Regulations and CRA15;
- x) FRB London has not done anything that would cause such Additional Purchased Receivables to be invalid or irrevocable under the Consumer Credit Act 1974 (as amended);
- y) FRB London has complied with all material laws and regulations (including, without limitation, under the Data Protection Act 1998) with respect to each of the Additional Purchased Receivables;
- z) none of the Additional Purchased Receivables will mature later than on the Final Maturity Date;
- aa) each Purchased Receivable is originated pursuant to a Financing Contract (a) in the form of a Standard Form Contract or (b) any revised or substitute form which is in accordance with the Customary Operating Practices or as otherwise agreed with the Issuer (acting reasonably);
- aa) each Additional Purchased Receivable was generated in the ordinary course of FRB London's business from the sale of goods or provision of credit or other services to the relevant Obligor and the related Financing Contract was entered into in accordance with the Customary Operating Practices;
- bb) FRB London holds legal title to the related Financed Objects;
- cc) the relevant Financing Contracts are denominated in Pounds Sterling;
- dd) the terms and conditions of each related Financing Contract which is a HP Contract provide for fixed monthly payments and may include a final balloon payment;
- ee) the terms and conditions of each Financing Contract which is a PCP Contract provide for fixed monthly payments and, at the end of the contract term, either (i) the payment of the Final Payment Amount and any Option to Purchase Fee or (ii) the return of the Financed Object to the Seller in lieu of payment of such Final Payment Amount;
- ff) the original maturity under the related Financing Contracts varies between, in respect of HP Contracts, 12 and 61 months, and in respect of PCP Contracts, 12 and 49 months;
- gg) the date on which the vehicle was first registered is no earlier than 1 January 2006;
- hh) the Original LTV of each HP Contract and PCP Contract is no more than 125%;
- ii) no Additional Purchased Receivable has been subject to any variation, amendment, modification, waiver or exclusion of any kind which in any material way adversely affects the terms of the Additional Purchased Receivables or its enforceability or collectability;
- jj) that, to the best of FRB London's knowledge, the relevant Financing Contract was not entered into fraudulently by the

relevant Obligor;

- kk) the relevant Additional Purchased Receivable has not been passed on to the legal department or referred to external lawyers, to the extent that such referral may reasonably be expected to have a material adverse effect on the Purchased Receivables, other than the issue by FRB London of letters demanding payment in the ordinary course of business;
- ll) the relevant Financing Contract was not entered into as a consequence of any conduct constituting fraud, misrepresentation, duress or undue influence by FRB London, its directors, officers, employees or agents or by any other person acting on behalf of FRB London;
- mm) the relevant Financing Contracts are not Rate-for-Risk Contracts;
- nn) the aggregate Principal Balance of the Purchased Receivables resulting from Financing Contracts which are PCP Contracts is equal to or less than 20% of the Aggregate Principal Balance of the Purchased Receivables in the Portfolio;
- oo) the aggregate Principal Balance of the Purchased Receivables resulting from Financing Contracts which are HP+ Contracts is equal to or less than 10% of the Aggregate Principal Balance of the Purchased Receivables;
- pp) the aggregate Principal Balance of the Purchased Receivables resulting from Financing Contracts with vehicles which are Designated Vehicles is equal to or less than 22% of the Aggregate Principal Balance of the Purchased Receivables in the Portfolio;
- qq) the aggregate Principal Balance of the Purchased Receivables resulting from Financing Contracts with vehicles which are motorcycles or scooters is equal to or less than 5% of the Aggregate Principal Balance of the Purchased Receivables in the Portfolio; and
- rr) no Additional Purchased Receivable comprises a HP+ Unsecured Loan.

#### *Covenants given by the Seller*

The Receivables Purchase Agreement contains a number of covenants by the Seller in respect of its activities relating to the Purchased Receivables and the related Financed Objects. These include covenants to refrain from conducting activities with respect to the Purchased Receivables and the related Financed Objects which may adversely affect the Purchased Receivables, the Ancillary Rights or the related Financed Objects and, in particular, not to sell, assign or otherwise dispose of, create any security interest or trust upon, or deal with any of the Purchased Receivables, Ancillary Rights, related Financing Contracts or related Financed Objects (but excluding any Non-Conforming Receivables repurchased by the Seller) in any manner whatsoever or purport to do so other than as expressly permitted by the Transaction Documents.

In addition, the Seller has undertaken (in each case after the relevant vehicle is in its possession or control) to sell any vehicles surrendered, recovered or otherwise returned to the Seller in accordance with the terms of the relevant Financing Contract and the Customary Operating Practices and account for the proceeds of such sale to the Issuer further to the sale and assignment of the Purchased Receivables (and the Ancillary Rights) to the Issuer pursuant to the Receivables Purchase Agreement. Until such time the Seller will hold the same (together with all other amounts received in respect of the Ancillary Rights and the Purchased Receivables) on trust for the Issuer.

None of the Issuer, the Trustee, the Arrangers, the Paying Agent, the Agent Bank, the Account Bank, the Cash Manager, the Back-up Servicer, the Corporate Services Provider, the Listing Agent or the Swap Counterparty has undertaken or will undertake any investigation to verify the details of the Purchased Receivables and will rely solely on the representations and warranties given by the Seller to the Issuer pursuant to the Receivables Purchase Agreement.

#### *Scottish Declaration of Trust and Scottish Vehicle Sales Proceeds Floating Charge*

With effect from the completion of the sale of the Purchased Receivables and, in so far as the Purchased Receivables include Scottish Receivables, pending perfection under Scots law of such sale by duly intimated assignation, the Seller will hold the benefit of the Scottish Receivables and the other Scottish Trust Property in trust for the Issuer on the terms of the Scottish Trust. At the same time as completion of the sale of the Purchased Receivables, the Issuer and the Seller will execute a Scottish Declaration of Trust in respect of those Purchased Receivables which are Scottish Receivables

and the Seller will deliver such Scottish Declaration of Trust to the Issuer, and the Seller will grant a Scottish Vehicle Sales Proceeds Floating Charge in favour of the Issuer in respect of Scottish Vehicle Sales Proceeds. The Seller will also undertake forthwith upon request by the Issuer, to execute any assignment in security of the Issuer's interest in the Scottish Declaration of Trust and the Scottish Vehicle Sale Proceeds Floating Charge for the purpose of acknowledging receipt of intimation of such assignment.

#### *Repurchase*

In the event of a breach of any of the warranties set forth above at the Initial Cut-Off Date, Initial Purchase Date, Additional Cut-Off Dates or Additional Purchase Dates (as applicable) which materially and adversely affects the interests of the Issuer or the Noteholders, the Seller shall have until the end of the Monthly Period which includes the thirtieth (30th) day (or, if the Seller elects an earlier date) after the date that the Seller became aware or was notified of such breach to cure or correct such breach (the "**Cure Period**"). Any such breach or failure will not be deemed to have a material and adverse effect if such breach or failure does not affect the ability of the Issuer to receive and retain timely payment in full on the related Purchased Receivable. If the Seller does not cure or correct such breach prior to the end of the Cure Period, then the Seller shall repurchase the Purchased Receivables affected by such breach from the Issuer on the Payment Date following the expiration of such Cure Period. Any such repurchase shall be at a price equal to the Principal Balance of such Purchased Receivables as at the relevant Repurchase Date (the "**Repurchase Amount**").

If a Purchased Receivable does not exist at the time of its purported assignment to the Issuer, the Seller shall pay an amount equal to the amount paid by the Issuer for such non-existent Receivable as at the date of such payment to the Issuer on the Payment Date following notification from the Servicer of such non-existence.

#### *Notification Event*

At any time after the occurrence of a Notification Event, the Issuer (in order to perfect its title to the Purchased Receivables) or the Trustee may:

- a) give notice in its own name (and/or require the Servicer to give notice on its behalf) to all or any of the Obligors of the sale and assignment of all or any of the Purchased Receivables; and/or
- b) direct (and/or require the Servicer to direct) all or any of the Obligors to pay amounts outstanding in respect of Purchased Receivables directly to the Issuer, the Issuer Account or any other account which is specified by the Issuer; and/or
- c) give instructions (and/or require the Servicer to give instructions) to immediately transfer any Collections standing to the credit of the Collection Accounts to the Issuer Account; and/or
- d) take such other action as it reasonably considers to be necessary, appropriate or desirable (including taking the benefit of title to the Financed Objects to the extent permitted by law) in order to recover any amount outstanding in respect of Purchased Receivables or to improve, protect, preserve or enforce their rights against the Obligors in respect of Purchased Receivables.

#### *Undertakings in relation to Articles 404-410 of the CRR, Section 5 of the AIFMR and Article 254 of the Solvency II Regulation*

In the Receivables Purchase Agreement the Seller will undertake the following in relation to Articles 404-410 of the CRR, Section 5 of the AIFMR and Article 254 of Solvency II Regulation:

- a) to retain on an ongoing basis, the Retained Interest, as randomly selected at the Closing Date and on each Additional Purchase Date in accordance with Article 405(1)(c) of the CRR, Section 5 of the AIFMR and Article 254 of the Solvency II Regulation until the Principal Amount Outstanding of the Notes is reduced to zero;
- b) to confirm to the Issuer and Cash Manager on each Servicing Report Performance Date that it continues to hold the Retained Interest;
- c) to provide notice to the Issuer, the Trustee and the Cash Manager as soon as practicable in the event it no longer holds the Retained Interest;
- d) that at the time of random selection of the Retained Interest there are no arrangements pursuant to which the Principal Balance of the Receivables constituting the Retained Interest will decline over time materially faster

- than the Principal Balance of the Purchased Receivables;
- e) not to reduce its credit exposure to the Retained Interest either through hedging or the sale of all or part of the Retained Interest;
  - f) to provide to the Servicer such information as may be reasonably required by the Noteholders to be included in the Investor Report to enable such Noteholders to comply with their obligations pursuant to the CRR, the AIFMR and the Solvency II Regulation; and
  - g) to provide, or procure that the Servicer shall provide, to the Issuer, the Trustee and the Cash Manager such information as may be reasonably required by the Noteholders to be included in the Investor Report to enable such Noteholders to comply with their obligations pursuant to the CRR, the AIFMR and the Solvency II Regulation.

#### *Applicable Law and Jurisdiction*

The Receivables Purchase Agreement and all non-contractual matters arising from or connected with it will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales have exclusive jurisdiction to hear any disputes that may arise in connection with the Receivables Purchase Agreement.

#### **Servicing Agreement**

On the Closing Date, the Issuer and FRB London, inter alia, will enter into an agreement (the "**Servicing Agreement**"), pursuant to which FRB London will be instructed to act as Servicer and to carry out certain management, collection and recovery activities in relation to the Purchased Receivables in accordance with its Customary Operating Practices in effect from time to time using the same degree of skill and attention that the Servicer exercises with respect to comparable vehicle Financing Contracts that the Servicer administers for itself or others.

The Servicer will be required to perform its obligations under the Servicing Agreement, to devote at least the same amount of time and attention and to exercise the same level of skill, care and diligence in the performance of those obligations, the exercise of its discretions under the Servicing Agreement and its exercise of the rights of the Issuer and the Trustee in respect of the Purchased Receivables, the Financing Contracts and the Financed Objects, as it would if it were administering motor vehicle, light commercial vehicle and motorcycle hire purchase agreements and personal contract purchase agreements in respect of which it held the entire benefit (both legally and beneficially) and, in any event, the Servicer will have the obligation to devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions under the Servicing Agreement but it will not be required to do or cause to be done anything which it is prevented from doing by any applicable laws, regulations, judgments and other directions or orders to which it or any Purchased Receivable, Ancillary Right or Financed Object may be subject.

Upon the replacement of FRB London by the Back-up Servicer pursuant to the terms of the Back-up Servicing Agreement, the Back-up Servicer will service the Purchase Receivables in accordance with its policies applicable from time to time, subject to the terms of the Back-up Servicing Agreement.

#### *Servicer's Duties*

The duties of the Servicer will be set out in the Servicing Agreement and will include, but not be limited to:

- a) servicing and administering the Purchased Receivables;
- b) implementing enforcement procedures and undertaking enforcement proceedings in relation to defaulted Purchased Receivables and any Obligors that may default on their obligations under the relevant Financing Contract;
- c) servicing and administering Collections received in respect of the Purchased Receivables;
- d) preparing monthly reports in relation to the Portfolio;
- e) providing information to the Back-up Servicer as required under the Servicing Agreement and the Back-up Servicing Agreement;
- f) administering relationships with the Obligors; and
- g) transferring any VAT Adjustment Amounts to the Issuer Account.

Information as to the present Customary Operating Practices of FRB London are described in the section entitled "BUSINESS PROCEDURES OF FIRSTRAND BANK LIMITED ACTING THROUGH ITS LONDON BRANCH"; however, FRB London will be permitted to change those business procedures from time to time at its discretion.

FRB London will inform the Rating Agencies without undue delay in the event that its Customary Operating Practices are changed in a way which could have a material adverse effect on the payment of the Rated Notes.

#### *Collection and Distribution Duties of the Servicer*

The Servicer will procure that all Collections are paid into the Collection Accounts. At the close of each Transfer Date, the Servicer will transfer the Collections received in the Collection Accounts to the Issuer Account.

#### *Enforcement*

The Servicer will use all reasonable endeavours to enforce all obligations of Obligors under the Financing Contracts and assist in the sale or disposal of each Financed Object following termination of its related Financing Contract where the Financed Object is returned to the Servicer and use its best endeavours to achieve a fair market price for such Financed Objects sold or disposed of, in each case on behalf of the Issuer and the Trustee in an efficient and timely fashion in accordance with the provisions of the Financing Contracts and its Customary Operating Practices.

The Servicer may, in accordance with its Customary Operating Practices take such action as may be necessary or desirable or as the Servicer determines (including, if necessary, court proceedings and the employment by the Servicer as disclosed agent for the Issuer of solicitors to carry out any necessary court or other proceedings) against any Obligor in relation to a defaulted Purchased Receivable.

#### *Servicing Report*

Under the Servicing Agreement the Servicer has undertaken to provide to the Issuer, the Trustee, the Back-up Servicer, the Swap Counterparty and the Cash Manager on each Servicing Report Performance Date a Servicing Report which will set out information on, among other things, the Collections, the performance of the Portfolio and delinquency information for delinquency periods of up to one month, one month to two months, two months to three months, three months to six months and more than six months with respect to the number of Financing Contracts in respect of Delinquent Receivables, and the total outstanding Principal Balance of the Delinquent Receivables.

Under the aforementioned agreement, the Servicer will also provide the Rating Agencies with such other information as they may reasonably request.

#### *Delegation*

The Servicer is permitted to delegate some or all of its duties to other entities, including its Affiliates and subsidiaries, although the Servicer will remain liable for the performance of any duties that it delegates to another entity.

#### *Servicing Fees*

On each Payment Date the Servicer will be entitled to receive the Servicer Fee for the preceding Monthly Period (or, in the case of the first Payment Date, a fee for the period commencing on the Closing Date to 20 February 2018). The Servicer will pay all expenses incurred by it in connection with its collection activities and will not be entitled to reimbursement of those expenses. The Servicer will have no responsibility, however, to pay or fund any credit losses with respect to the Purchased Receivables.

#### *Successor Servicer*

The Servicer may terminate the Servicing Agreement by giving not less than six months prior written notice of its intention to terminate the agreement to the Issuer and the Trustee (with a copy to the Rating Agencies), provided that: (i) the Trustee and the Issuer consent in writing to such termination, (ii) the Back-up Servicer has replaced the Servicer or another successor servicer has been appointed, and (iii) notice in writing as to the replacement of the Servicer has been given to all Obligors.

In addition, following the occurrence of a Servicer Replacement Event, the Issuer may, with the consent of the Trustee, terminate the appointment of the Servicer by giving notice thereof to the Servicer. Upon the termination of the

appointment of the Servicer under the Servicing Agreement, the Back-up Servicer will, within 60 days of receiving notice of the same, replace the Servicer on terms substantially similar to those set out in the Servicing Agreement.

During any period between the date specified in the notice given by the Issuer and the date of the appointment of the Back-up Servicer, or another entity, as successor servicer (the "**Transfer Period**"), the retiring Servicer will allow the Issuer and the Back-up Servicer or any other successor servicer such access to its premises and facilities, as the Issuer, the Trustee and such nominees may reasonably request in order to enable the retiring Servicer to perform its obligations under the Servicing Agreement within the Transfer Period and to allow the successor servicer to prepare to perform its duties.

The dismissal of FRB London as Servicer shall only become effective after the Back-up Servicer has assumed responsibility for performing the Services or a new Servicer has been appointed on terms substantially similar to the existing Servicing Agreement.

On the date of termination of the appointment of the Servicer pursuant to the Servicing Agreement, the retiring Servicer will (save as prohibited or required otherwise by any applicable laws, regulations, judgments and other directions or orders to which it may be subject): (a) immediately deliver or make available to a successor servicer or, failing the appointment of a successor servicer, the Issuer, the Purchased Receivable Records, the Servicer Records and the Transaction Documents and any monies then held by the retiring Servicer on behalf of the Issuer and any other assets of the Issuer then held by it, and (b) take such further action as the Issuer, the Trustee or the successor servicer may reasonably direct in order to effectively transfer its rights and obligations under the Servicing Agreement to a successor servicer.

#### *Applicable Law and Jurisdiction*

The Servicing Agreement and all non-contractual matters arising from or connected with it will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales will have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

#### **Back-up Servicing Agreement**

On the Closing Date, the Issuer will appoint the Back-up Servicer to perform back-up services pursuant to a back-up servicing agreement between, *inter alios*, the Issuer, the Servicer and the Back-up Servicer dated on or prior to the Closing Date (the "**Back-up Servicing Agreement**").

The Back-up Servicer has agreed to perform certain servicing duties, which include (but are not limited to):

1. conduct annual operational reviews to include:
  - (a) re-running the operational review / due diligence;
  - (b) reviewing the key origination and servicing documentation and processes;
  - (c) reviewing any changes to the process required to produce the Servicing Report;
  - (d) reviewing the Servicer's Systems;
2. deliver to the Issuer a report setting out the results of the operational review, performed by the Back-up Servicer in accordance with item 1 above, within 15 Business Days after the end of each such annual review period;
3. access the Back-up Servicer's IT Service Provider data centre and successfully run a segregation routine in respect of the Purchased Receivables on an annual basis;
4. inform the Issuer and the Trustee within 15 days of any change to the entities providing IT solutions to the Back-up Servicer;
5. deliver to the Issuer and the Servicer a report, on a CD-Rom or as otherwise agreed, confirming that it has accessed the Back-up Servicer's IT Service Provider data centre and successfully run a segregation routine in respect of the Purchased Receivables as required in item 3 above, no later than 15 Business Days following the end of each annual period;

6. deliver to the Issuer, the Trustee and the Servicer any rating agency report on the Back-up Servicer;
7. inform the Issuer, the Cash Manager and the Servicer of any change in its servicer rating for consumer loans, to the extent applicable, or, where the Back-up Servicer is not rated for servicing consumer loans, any change in its parent company's corporate rating, within 15 days of becoming aware of such change;
8. deliver to the Issuer on an annual basis a version of the servicing report based on data received from the Back-up Servicer's IT Service Provider data application and confirm whether it matches the relevant Servicing Report as delivered by the Servicer.

Before the Back-up Servicer replaces the Servicer following a Servicer Replacement Event, on each Payment Date immediately preceding each anniversary of the Closing Date, the Back-up Servicer will be entitled to receive a fee for the preceding calendar year.

The Back-up Servicer is permitted to delegate some or all of its duties to other entities, including its Affiliates and subsidiaries, although the Back-up Servicer will remain liable for the performance of any duties that it delegates to another entity.

Upon the termination of the appointment of the Servicer under the Servicing Agreement, the Back-up Servicer will, within 60 days of receiving notice of the same, replace the Servicer on terms substantially similar to those set out in the Servicing Agreement.

The Back-up Servicing Agreement may be terminated by the Back-up Servicer upon 6 months' notice to the Issuer, the Servicer and the Trustee (with a copy to the Rating Agencies), provided that a replacement Back-up Servicer has been appointed in accordance with the Back-up Servicing Agreement. If the Issuer fails to appoint a replacement Back-up Servicer within 12 months of the notice by the Back-up Servicer, the Back-up Servicer may terminate the Back-up Servicing Agreement.

The Back-up Servicing Agreement may also be terminated by the Back-up Servicer with 6 months' notice to the Issuer, the Servicer and the Trustee (with a copy to the Rating Agencies) if: (i) the Servicer fails to perform certain obligations under the Back-up Servicing Agreement, (ii) any variation is made to the Back-up Servicing Agreement or the Replacement Servicing Agreement without the consent of the Back-up Servicer or (iii) any payments due to the Back-up Servicer are not paid within 30 days of the due date for payment.

Under the terms of the Back-up Servicing Agreement, the Back-up Servicer's liability arising by reason of or in connection with the Back-up Servicing Agreement shall be limited in any calendar year to £1 million in aggregate unless such liability is occasioned by the wilful misconduct, gross negligence, or fraud of the Back-up Servicer. After a Servicer Replacement Event, the Back-up Servicer's liability arising by reason of or in connection with the replacement servicing agreement shall be limited in any calendar year to £7.5 million in aggregate unless such liability is occasioned by the wilful misconduct, gross negligence, or fraud of the Back-up Servicer.

The Back-up Servicing Agreement and all non-contractual matters arising from or connected with it will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales will have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

### **Cash Management Agreement**

On the Closing Date, the Issuer and the Cash Manager, inter alia, will enter into an agreement (the "**Cash Management Agreement**"), pursuant to which HSBC Bank plc will be instructed to act as Cash Manager and to carry out certain cash administration tasks on behalf of the Issuer.

#### *Cash Manager's Duties*

The duties of the Cash Manager will be set out in the Cash Management Agreement and will include, but not be limited to the following:

- a) operating the Accounts and the Swap Collateral Custody Account (if and when opened) in accordance with the instructions of the Issuer, or following a written request from the Trustee following the service of an Enforcement Notice, from the Trustee;

- b) providing the Issuer and the Trustee with certain cash management, calculation, notification and reporting information in relation to the Accounts and the Notes;
- c) taking the necessary action and giving the necessary notices to ensure that the Accounts are credited and debited with the appropriate amounts;
- d) taking all necessary action to ensure that all payments are made out of the Accounts in accordance with the Cash Management Agreement, the Conditions and the Interest Rate Swap Agreement; and
- e) maintaining adequate records to reflect all transactions carried out by or in respect of the Accounts.

#### *Investor Report*

On or prior to each Calculation Date, the Cash Manager is required to determine the various amounts required to pay interest due on the Notes on the forthcoming Payment Date and all other amounts then payable by the Issuer, and the amounts available to make such payments (subject to adjustment for any amounts received on or before that Payment Date).

The Cash Manager has undertaken to prepare and deliver to the Issuer, the Trustee, the Seller, the Swap Counterparty, the Servicer, the Back-up Servicer and the Rating Agencies, not fewer than two Business Days prior to each Payment Date, the Investor Report. The Investor Report will be freely available on Bloomberg except to the extent that disclosure of such financial information would at that time breach any law, regulation, Irish Stock Exchange requirement or rules of any applicable regulatory body to which the Cash Manager is subject. The Investor Report will contain the following information:

- a) the aggregate amount to be distributed on each Class A Note, each Class B Note, each Class C Note and each Class D Note on the Payment Date immediately following the provision of the Investor Report;
- b) the repayment of the principal amount attributed to each Class A Note, to each Class B Note, to each Class C Note and to each Class D Note as distributed;
- c) the principal amount still outstanding on each Class A Note, on each Class B Note, on each Class C Note and on each Class D Note as at the Payment Date immediately following;
- d) the amounts available in the Cash Reserve Account immediately following the Payment Date;
- e) the sums corresponding to the administration fees;
- f) delinquency information for delinquency periods of up to one month, one month to two months, two months to three months, three months to six months and more than six months with respect to the number of Financing Contracts in respect of Delinquent Receivables, and the total outstanding Principal Balance of the Delinquent Receivables;
- g) in the event of the final Payment Date, the fact that such date is the final payment date;
- h) confirmation from the Seller at monthly intervals that the Seller continues to hold the Retained Interest;
- i) performance information on the Purchased Receivables;
- j) details of the location/webpage where the cash-flow model is available;
- k) detailed statistical information on the Purchased Receivables;
- l) such information as provided by the Seller or Servicer as may be reasonably required to be included in the Investor Report so that Noteholders are able to comply with their obligations pursuant to the CRR; and
- m) a glossary of the defined terms used in the Investor Report.

The first Investor Report will also contain information on the amount of Notes: (i) placed with investors which are not in the FRB Group; (ii) retained by members of the FRB Group; (iii) publicly-placed with investors which are not in the FRB Group and (iv) initially retained by members of the FRB Group, but subsequently placed with investors which are not in the FRB Group.



In the event that any Notes initially retained by members of the FRB Group are subsequently placed with investors which are not in the FRB Group this fact will be disclosed in the first Investor Report issued following such placement.

In the event that the Cash Manager does not receive, or there is a delay in the receipt of, some or all the information necessary for it to prepare the Investor Report in respect of any Calculation Date (a "**Servicing Report Delivery Failure**") but the Cash Manager determines that the amounts standing to the credit of the Issuer Account and the Cash Reserve Account (provided that the amounts standing to the credit of the Cash Reserve Account shall only be used to the extent that the amounts standing to the credit of the Issuer Account are insufficient to make the required payments and, then only, amounts standing to the credit of the Cash Reserve Account shall only be used to the extent required to make the necessary payments) are sufficient to pay the interest due on the Rated Notes and any other amount ranking in priority thereto pursuant to the Pre-Enforcement Order of Priority of which it has been notified by the relevant Transaction Parties, the Cash Manager shall:

- a) prepare the payment report (the "**Provisional Payments Report**") on or prior to the relevant Calculation Date based on the information provided in the last supplied Servicing Report and calculate: (i) the amounts of interest due and payable on the Rated Notes and any other amount ranking in priority thereto which it is aware of at such time, on the immediately following Payment Date pursuant to the Pre-Enforcement Order of Priority; and  
(ii) the fees payable to third parties pursuant to items (a) to (f) inclusive of the Pre-Enforcement Order of Priority which shall be assumed to be equal to the amount specified in the last available Investor Report;
- b) promptly inform the Issuer, the Trustee and the Swap Counterparty thereof; and
- c) take such commercially reasonable steps, together with the Issuer, the Trustee, and the Account Bank, as are required to apply the amounts standing to the credit of the Issuer Account in or towards payment of any interest amount in respect of the Rated Notes and any other payment ranking in priority thereto, on the relevant Payment Date.

For the avoidance of doubt, the parties to the Cash Management Agreement will acknowledge and agree that on the Payment Date immediately following the occurrence of a Servicing Report Delivery Failure and on each subsequent Payment Date, no payment will be made by the Issuer after payment of interest on the Rated Notes until the earliest of (a) a new Servicing Report is produced by the Servicer or any substitute Servicer, (b) the Final Maturity Date and (c) delivery of an Enforcement Notice (in which case, payments will be made pursuant to the Post-Enforcement Order of Priority).

On the Calculation Date immediately following the provision of a new Servicing Report, the Cash Manager will calculate the amounts listed under paragraph (a)(i) and (ii) above making any necessary adjustment to take into account any differences and/or discrepancies between (x) the amounts paid on the relevant preceding Payment Dates (on the basis of the payment report referred to in (a) above) and (y) the actual amounts that would have been due on such Payment Dates had the information necessary for it to prepare the Investor Report been provided (such information being as set out in the Servicing Report).

#### *Delegation*

The Cash Manager is permitted to sub-contract or delegate some or all of its duties to other entities, including its Affiliates and subsidiaries whom it reasonably believes is capable of, and experienced in, performing the functions to be given to it, although the Cash Manager will remain liable for the performance of any duties that it delegates to another entity.

#### *Termination and Resignation*

Following the occurrence of a Cash Manager Termination Event, the Issuer (with the prior written approval of the Trustee) and/or the Trustee may at once or at any time thereafter while such event continues by notice in writing to the Cash Manager (with a copy to the Rating Agencies) terminate the appointment of the Cash Manager with effect from a date (not earlier than the date of the notice) specified in the notice.

In addition, the Cash Manager may resign from the obligations and duties imposed on it under the Cash Management Agreement by giving not less than three months' prior written notice to the Issuer and the Trustee (with a copy to the Rating Agencies), provided that such resignation shall not take effect until a successor which is acceptable to the Issuer

and the Trustee has been appointed on substantially the same terms as those of the Cash Management Agreement or such other terms as the Issuer and the Trustee may approve.

If a notice of termination is served, or if the Cash Manager resigns its appointment, the Cash Manager shall, from the date of service of such notice or resignation, as the case may be, co-operate with and provide reasonable assistance to the Issuer in order to enable a substitute cash manager to be appointed.

If the Issuer fails, within 30 Business Days from the date of expiry of a notice of resignation, to appoint a substitute cash manager, the Cash Manager may do so, provided that (i) such substitute cash manager shall have experience of providing the kind of services required to be provided by the cash manager pursuant to the Cash Management Agreement and (ii) it shall be willing to enter into an agreement with the Issuer and the Trustee substantially in the same terms as those of the Cash Management Agreement.

#### *Indemnity and Costs and Expenses*

Under the Cash Management Agreement, the Issuer will indemnify the Cash Manager against any Liabilities which it may incur or which may be made against the Cash Manager as a result of or in connection with its appointment or the exercise of its powers and duties under or pursuant to the Cash Management Agreement except such as may result from its own wilful default, gross negligence or fraud.

The Issuer will agree to reimburse the Cash Manager in respect of any costs, expenses and charges properly incurred by the Cash Manager in connection with the performance by the Cash Manager of its services.

#### *Cash Management Fees*

The Cash Manager will be entitled to receive a fee on each Payment Date for the preceding Monthly Period (or, in the case of the first Payment Date, a fee for the period commencing on the Closing Date to 20 February 2018).

#### *Applicable Law and Jurisdiction*

The Cash Management Agreement and all non-contractual matters arising from or connected with it will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales will have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

#### **Corporate Services Agreement**

Pursuant to the Corporate Services Agreement the Corporate Services Provider will agree to provide certain compliance and secretarial services to the Issuer and the Share Trustee will agree to hold the Shares of the Issuer on trust in accordance with the Declaration of Trust. In return for the services so provided, the Corporate Services Provider will receive a fee payable by the Issuer on each Payment Date in accordance with the relevant Priority of Payments, including a fee for procuring the Share Trustee.

The Corporate Services Agreement may be terminated by any of the parties thereto on not less than 90 calendar days' written notice to the other party or, at any time forthwith by notice in writing if any of the other parties shall have at any time (a) committed a material breach of any of the terms and/or conditions of the Corporate Services Agreement and has not remedied such breach within 30 calendar days (or such other period as shall be agreed between the parties) of being required to do so or (b) been the subject of one or more insolvency events as specified in the Corporate Services Agreement. No termination of the appointment of the Corporate Services Provider may occur unless a successor corporate services provider acceptable to the Issuer has been appointed and has acceded to the terms of the Corporate Services Agreement.

The Corporate Services Provider will provide corporate administration and secretarial services to the Issuer which will include:

- (a) dispatch of shareholder and board meeting notices in accordance with the articles and applicable English law;
- (b) the convening of the annual shareholders meeting and the annual meeting of the board of directors and preparation of written minutes of such meetings;
- (c) handling enquiries and making appropriate filings (or assisting the Issuer's auditors in so doing) as required by applicable English law, regulations and regulators;

- (d) keeping and maintaining books, records, registers and statutory accounts that the company is required to maintain under the Companies Act 2006 (including the register of shareholders and of the directors and secretary) and procuring that the same are made available for inspection and/or supplying copies of such books and registers in accordance with the articles and applicable English law; and
- (e) advising on the appointment of company lawyers and auditors and supervising performance of any agents of the relevant companies.

The Share Trustee shall hold the share on the Issuer in accordance with the Declaration of Trust.

The Corporate Services Agreement and all non-contractual matters arising from or connected with it will be governed by and construed in accordance with the law of England and Wales.

### **Trust Deed**

On the Closing Date the Issuer and the Trustee will enter into the Trust Deed. Under the terms of the Trust Deed, the Notes will be constituted and will be subject to the provisions in the Trust Deed. The Conditions and the forms of the Notes are set out in the Trust Deed.

The Trustee will agree to hold the benefit of the Issuer's covenant to pay on trust for the Noteholders and the Couponholders.

The Trust Deed contains provisions requiring the Trustee to have regard to the interests of the holders of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes equally as regards all powers, trusts, authorities, duties and discretions of the Trustee (except where expressly provided otherwise), but requiring the Trustee, so long as any Class A Notes are outstanding, to have regard only to the interests of the Class A Noteholders if, in the Trustee's opinion, there is a conflict between the interests of the Class A Noteholders and those of the Class B Noteholders and/or the Class C Noteholders and/or the Class D Noteholders, and to have regard only to the interests of the Class B Noteholders if, in the Trustee's opinion, there is a conflict between the interests of the Class B Noteholders and those of the Class C Noteholders and/or the Class D Noteholders and to have regard only to the interests of the Class C Noteholders if, in the Trustee's opinion, there is a conflict between the interests of the Class C Noteholders and those of the Class D Noteholders and to have regard only to the interests of the Class D Noteholders if, in the Trustee's opinion, there is a conflict between the interests of the Class D Noteholders.

Under the Trust Deed the Issuer will undertake to indemnify the Trustee against all Liabilities and other costs incurred by it or its Appointees or delegates in the execution of its duties. The Trustee is not obliged to perform certain actions unless it has been indemnified, secured and/or pre-funding to its satisfaction.

In accordance with the terms of the Trust Deed, the Issuer will pay a fee to the Trustee for its services under the Trust Deed at the rate and times agreed between the Issuer and the Trustee together with payment of any liabilities incurred by the Trustee in relation to the Trustee's performance of its obligations under the Trust Deed and each other Transaction Document to which it is a party.

The Trustee may delegate to any person or persons or fluctuating body of persons all or any of the trusts, powers and authorities vested in the Trustee by the Trust Deed and the Trustee shall not be bound to supervise the proceedings or, provided that the Trustee shall have exercised reasonable care in the selection of such delegate or sub-delegate, be in any way responsible or liable for any loss incurred by reason of any act, omission, misconduct or default on the part of any such delegate or sub-delegate.

The Trustee from time to time may retire at any time upon giving not less than 90 calendar days' notice in writing to the Issuer without assigning any reason therefor and without being responsible for any costs occasioned by such retirement. The retirement of the Trustee shall not become effective unless there remains a trustee (being a trust corporation) in office after such retirement. No entity may be appointed as trustee without an Extraordinary Resolution of the Most Senior Class Outstanding approving the appointment. The Issuer will agree in the Trust Deed that, in the event of the sole trustee or the only trustee under the Trust Deed giving notice of its retirement, it shall use all reasonable endeavours to procure a new trustee be appointed and, if the Issuer has not procured the appointment of a new trustee within 90 calendar days, the Trustee will have the power to appoint a new trustee. In the event of the retirement of the Trustee and the appointment of a new trustee, the new trustee shall assume the rights and obligations of the retiring Trustee under the Deed of Charge.

### *Applicable Law and Jurisdiction*

The Trust Deed and all non-contractual matters arising from or connected with it will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales will have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

### **Deed of Charge**

On the Closing Date the Issuer and the Trustee will enter into the Deed of Charge. As continuing security for the payment or discharge of the Secured Obligations, the Issuer will create in favour of the Trustee, for itself and on trust for the Transaction Creditors, in accordance with the terms of the Deed of Charge:

- (a) an assignment by way of first fixed security of the benefit of all of its present and future right, title and interest to, in and under the Purchased Receivables;
- (b) an assignment by way of first fixed security of the benefit of all of its present and future right, title and interest to, in and under:
  - (i) the Charged Transaction Documents;
  - (ii) each other contract, agreement, deed (other than the Trust Deed, the Deed of Charge and the Assignment in Security) and document, present and future, to which the Issuer is or becomes a party, including, without limitation, all rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder from time to time, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof;
- (c) first fixed security over the benefit of all of its present and future right, title and interest to, in and under any Permitted Investment;
- (d) a first fixed charge over the benefit of each account of the Issuer, other than any such accounts situated outside England and Wales (and any replacement therefor), and all of its other book debts, present and future, the proceeds of the same and all other moneys due and payable to it and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing; and
- (e) a first floating charge over the whole of the Issuer's undertaking and all the Issuer's property, assets and rights whatsoever and wheresoever present and future including, without limitation, the Issuer's uncalled capital except to the extent otherwise charged or secured under the Deed of Charge (but excepting from such exclusion the whole of the Issuer's undertaking, property, assets and rights situated in Scotland or otherwise governed by Scots law, all of which are charged by the floating charge thereby created).

The Trustee shall hold the benefit of the Issuer Security for the Transaction Creditors from time to time on the terms of the Deed of Charge and the Assignment in Security and shall deal with the Issuer Security and apply all payments, recoveries or receipts in respect of the Issuer Security in accordance with the Conditions of the Notes, the Deed of Charge and the Assignment in Security.

The Trustee and any Receiver appointed by the Trustee may delegate all or any of the powers under the Deed of Charge or by any statute conferred upon it or him to such person or persons as it or he may in its or his absolute discretion (including the power to sub-delegate) think fit and will not be under any obligation to supervise such delegate or, provided that the Trustee or Receiver shall have exercised reasonable care in the selection of such delegate, be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of any misconduct or default by any such delegate or sub-delegate.

Each of the Transaction Creditors (other than the Trustee) will agree to be bound by the provisions of the Deed of Charge and, in particular, will agree to be bound by the Priority of Payments and the limited recourse and non-petition provisions set out in the Master Framework Agreement.

Only the Issuer Security shall be available to satisfy the Issuer's obligations under the Notes. Accordingly, recourse against the Issuer in respect of such obligations shall be limited to the Issuer Security and the claims of the Transaction

Creditors against the Issuer under the Transaction Documents may only be satisfied to the extent of the Issuer Security. Once the Issuer Security has been realised:

- (a) neither the Trustee nor any of the Transaction Creditors shall be entitled to take any further steps or other action against the Issuer to recover any sums due but unpaid;
- (b) all claims in respect of any sums due but unpaid shall be extinguished; and
- (c) neither the Trustee nor any of the Transaction Creditors shall be entitled to petition or take any other step for the winding up of the Issuer.

The Issuer Security shall become enforceable upon the delivery by the Trustee of an Enforcement Notice in accordance with the Conditions.

#### *Applicable Law and Jurisdiction*

The Deed of Charge and all non-contractual matters arising from or connected with it will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales will have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

#### **Account Agreement**

On the Closing Date, the Issuer, the Cash Manager and the Trustee will enter into an account agreement with the Account Bank whereby the Account Bank will open the Accounts in the name of the Issuer. The Account Bank will agree to open and maintain the Accounts which are to be held in the name of the Issuer and provide the Issuer with certain services in connection with account handling and reporting requirements in relation to the monies from time to time standing to the credit of the Accounts. Amounts standing to the credit of the Issuer Account and the Cash Reserve Account may be invested by the Account Bank on a non-discretionary basis in Permitted Investments on the instruction of the Cash Manager who shall give such instruction at the direction of the Servicer acting on behalf of the Issuer in accordance with the provisions of the Account Agreement. Any amounts so invested shall, on each Calculation Date, be transferred to the Issuer Account or the Cash Reserve Account (as applicable). Net investment earnings from Permitted Investments belong to the Issuer and will be applied as Available Distribution Amounts. In the event of any amount standing to the credit of the Accounts overnight, such amount shall bear interest at a rate agreed between the Issuer and the Account Bank.

The Account Bank will agree to comply with any instructions given by the Cash Manager or the Issuer or, in certain circumstances, the Trustee in relation to the management of the Accounts. The Account Bank will waive all rights of set-off which it may have in respect of the Accounts.

If the ratings of the Account Bank are downgraded below the requisite ratings set out in the Account Agreement (being the Minimum Rating), the Issuer will, within 45 calendar days from the date on which the Account Bank ceases to have the Minimum Rating, find a substitute account bank with the requisite rating and move the Accounts (and the balances standing to the credit thereto) to such substitute issuer account bank, provided that (i) the replacement account bank shall be willing to enter into an agreement with the parties to the Account Agreement substantially in the same terms as those of the Account Agreement and (ii) the Account Bank shall not be replaced, nor shall any such amounts be transferred to such replacement account bank until at least 33 calendar days after the date on which the Account Bank ceased to be rated at least the Minimum Rating.

On each Payment Date the Account Bank will be entitled to receive a fee for the preceding Monthly Period (or, in the case of the first Payment Date, a fee for the period commencing on the Closing Date to 20 February 2018).

The Account Bank may terminate the banking arrangements granted to the Issuer under the Account Agreement by giving at least 30 calendar days' written notice to the Issuer, the Trustee and the Cash Manager, except to the extent that such termination is by reason of fraud, illegality or material default by any other party to the Account Agreement, whereby the Account Bank will give such notice as is reasonable in all the circumstances. In the event of any such termination the Account Bank (at its own cost) will reasonably assist the other parties hereto to effect an orderly transition of the Issuer's banking arrangements except that such termination will not take effect until the transition of the Issuer's banking arrangements have been completed.

If the Issuer fails, within 30 calendar days from the date of delivery of a notice of termination by the Account Bank, to appoint a substitute account bank, the Account Bank may do so, provided that (i) such substitute account bank shall be

rated at least the requisite ratings referred to above and (ii) it shall be willing to enter into an agreement with the parties to the Account Agreement substantially in the same terms as those of the Account Agreement. Any transfer of the Accounts under the Account Agreement will be notified to the Rating Agencies by the Issuer.

The Account Agreement and all non-contractual matters arising from or connected with it will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales will have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

### **Paying Agency Agreement**

On the Closing Date, the Issuer, the Paying Agent, the Agent Bank and the Trustee will enter into a paying agency agreement pursuant to which the Issuer will appoint the Paying Agent as paying agent in respect of the Notes. In the event that the Paying Agent is unable to perform its obligations under the Paying Agency Agreement, the Paying Agent will be required, at its own cost and expense and as soon as practicable, to delegate any of its roles, duties or obligations under the Paying Agency Agreement to a reputable bank whom it believes is capable of, and experienced in, performing the functions to be given to it. Any delegation by the Paying Agent of its obligations (or any of them) under the Paying Agency Agreement shall not release or discharge the Paying Agent from any of its obligations under the Paying Agency Agreement.

Under the Paying Agency Agreement, the Issuer will have the right to, with the prior written approval of the Trustee, terminate the appointment of any Agent and/or appoint additional or other Agents by giving to the Agent whose appointment is concerned and, where appropriate, the Paying Agent a notice as described in the Paying Agency Agreement.

The Agents may also resign their respective appointments at any time by giving to the Issuer, the Trustee and, where appropriate, the Paying Agent a notice, as described in the Paying Agency Agreement.

If the Paying Agent resigns or is removed, the Issuer will promptly and in any event within 30 days appoint a successor approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed). If the Issuer fails to appoint a successor within such period, the Paying Agent may select a leading bank approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed) to act as Paying Agent and the Issuer shall appoint that bank as the successor Paying Agent.

So long as the Notes are listed on the Irish Stock Exchange, the Issuer will procure that there will be a paying agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

As consideration for performance of the agency services, the Issuer will pay the Agents a fee. The Issuer will undertake to indemnify each of the Agents against all Liabilities which any of them may suffer or incur or which may be made against any of them as a result of or in connection with their appointment or the exercise of their powers or performance of their duties under the Paying Agency Agreement except as may directly result from wilful default, gross negligence or fraud on the part of the Agents or any of them.

The Issuer will undertake to pay to the Paying Agent, the Agent Bank and any successor Agent (as the case may be) any legal, advertising, postage, fax and other communication expenses properly incurred and documented by the Agents in connection with their services and such other fees and commissions in respect of the services of the Agents as agreed between the Issuer and the Paying Agent, the Agent Bank and any successor Agent.

The Paying Agency Agreement and all non-contractual matters arising from or connected with it will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales will have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

### **Swap Agreement: Interest Rate Swap Agreement**

On or about the Issue Date, the Issuer will enter into the Interest Rate Swap Agreement with the Swap Counterparty pursuant to the terms of the Swap Agreement. The Interest Rate Swap Agreement will mitigate the floating interest rate risk on the Class A Notes and the Class B Notes against the fixed rate income, payable under the Financing Contracts, to be received by the Issuer.

Under the Interest Rate Swap Agreement:

- (a) the Issuer will pay to the Swap Counterparty on each Payment Date an amount equal to (i) the Principal Amount Outstanding of the Class A Notes and the Class B Notes on each Payment Date, multiplied by (ii) a fixed rate, calculated on the basis of the actual number of days elapsed in an Interest Period divided by 365; and
- (b) the Swap Counterparty will pay to the Issuer on each Payment Date an amount equal to (i) the Principal Amount Outstanding of the Class A Notes and the Class B Notes on each Payment Date, multiplied by (ii) a floating rate of LIBOR for one-month Sterling deposits, calculated on the basis of the actual number of days elapsed in an Interest Period divided by 365.

If, in respect of a particular Payment Date under the Interest Rate Swap Agreement, the floating amount payable by the Swap Counterparty is a negative number (for example, due to a quoted negative floating rate of interest), then the Zero Interest Rate Method (as defined under the Swap Agreement) will apply.

The Interest Rate Swap Agreement will be governed by the terms of, and form a single agreement with, the Swap Agreement.

The Swap Counterparty (or its Swap Guarantor) must be rated at least the Required Rating or the Second Required Rating (as applicable).

**"Required Rating"** means:

- (a) with respect to DBRS, the long-term, unsecured and unsubordinated debt or counterparty obligations must be rated at least "A" by DBRS; or
- (b) with respect to S&P, the minimum required ratings for the S&P Option then in effect pursuant to the Interest Rate Swap Agreement, as applicable.

**"Second Required Rating"** means with respect to DBRS, the long-term, unsecured and unsubordinated debt or counterparty obligations must be rated "BBB" or above by DBRS and, with respect to S&P, the minimum required ratings for the S&P Option then in effect pursuant to the Interest Rate Swap Agreement, as applicable.

**"S&P Option"** means, on any date, the option which applies to the terms of the Swap Agreement and which may be either S&P Option 1, S&P Option 2, S&P Option 3 or S&P Option 4 as the case may be (or any other applicable option which may be published by S&P from time to time).

Prior to the occurrence of an Event of Default or Termination Event (in each case as defined in the Swap Agreement), pursuant to the terms of the Swap Agreement, any payments under the Interest Rate Swap Agreement that are due on the same date and in the same currency will be made on a net basis on each Payment Date so that on each Payment Date a net amount will be due from the Issuer or the Swap Counterparty (as the case may be).

Any payments other than Subordinated Termination Payments made by the Issuer under the Interest Rate Swap Agreement rank higher in priority than payments on the Notes. Payments by either of the Swap Counterparties to the Issuer under the Swap Agreement will be made into the Issuer Account and will, to the extent necessary, be increased to ensure that such payments are free and clear of all taxes other than withholding taxes imposed under FATCA.

Events of default under the Interest Rate Swap Agreement applicable to the parties include, among other things:

- (a) failure to make a payment under the Swap Agreement when due (taking into account any grace periods); or
- (b) the occurrence of certain bankruptcy and insolvency events.

Termination events under the Interest Rate Swap Agreement applicable to the parties include, among other things:

- (a) a change of law results in the obligations of one of the parties becoming illegal; or
- (b) an Enforcement Notice is served on the Issuer by the Trustee; or
- (c) the Issuer serves a notice upon holders of the Notes of its intention to redeem the Class A Notes and Class B Notes in whole pursuant to Condition 7.3 (*Redemption and Cancellation - Optional Redemption in Whole*); or

- (d) the Priority of Payments is amended such that interests of the Swap Counterparty are in any way adversely affected unless the Swap Counterparty has consented in writing to such amendment; or
- (e) any provision of the Transaction Documents is amended and the effect of such amendment is to affect the amount, timing or priority of any payments or deliveries due from the Issuer to the Swap Counterparty, or from the Swap Counterparty to the Issuer unless the Swap Counterparty has consented in writing to such amendment; or
- (f) failure of the Swap Counterparty to take certain actions if its credit rating, or where applicable, the credit rating of the Swap Guarantor falls below the Required Rating or the Second Required Rating (as applicable). If the Swap Counterparty, or where applicable, the credit rating of the Swap Guarantor does not have the Required Rating or the Second Required Rating (as applicable) it may or shall be required to post Swap Collateral as calculated in accordance with the Swap Credit Support Document. The Swap Counterparty may or shall also as an additional or alternative measure take one of the following measures:
  - (i) obtain a guarantee or procure another Person to become a co-obligor from an institution with an acceptable rating;
  - (ii) assign its rights and obligations under the Interest Rate Swap Agreement to a successor Swap Counterparty with an acceptable rating; or
  - (iii) take any such action as may be agreed with S&P and DBRS.

Any Swap Collateral required to be posted in connection with the Interest Rate Swap Agreement will be, pursuant to the terms of the Swap Credit Support Document, calculated in accordance with the Interest Rate Swap Agreement and will be transferred to the Issuer on a net exposure basis by the Swap Counterparty. In accordance with the Swap Credit Support Document, Swap Collateral may be delivered in the form of cash or securities. Cash amounts will be paid into the Swap Collateral Cash Account and securities will be transferred to the Swap Collateral Custody Account. References to a Swap Collateral Cash Account or a Swap Collateral Custody Account and to payments from or to such accounts are deemed to be a reference to payments from such accounts as and when opened by the Cash Manager.

Cash and securities transferred as collateral to the Swap Collateral Cash Account and/or the Swap Collateral Custody Account (and all income and/ or proceeds of redemption/ liquidation in respect thereof) will only be available to be applied in returning collateral (and interest or distributions on, or the proceeds of redemption of liquidation of, such Swap Collateral) to the Swap Counterparty and, in the event that the Interest Rate Swap Agreement is terminated early, in satisfaction of any amounts owing by the Swap Counterparty, in accordance with the terms and within the limits of the Swap Credit Support Document and the Cash Management Agreement. Amounts standing to the credit of the Swap Collateral Cash Account and/or the Swap Collateral Custody Account will only be available to the Transaction Creditors to the extent that such amounts are applied in or towards satisfaction of the Swap Counterparty's obligations to the Issuer upon termination of the Swap Agreement. Any amount in excess of such obligations shall not be available to Transaction Creditors and shall be returned to the Swap Counterparty. There may be circumstances where no amount is payable by the Swap Counterparty to the Issuer; in such circumstances, any Swap Collateral will be returned by the Cash Manager to the Swap Counterparty directly in accordance with the terms of the Swap Credit Support Document.

Upon the occurrence of an Event of Default or Termination Event (in each case as defined in the Swap Agreement), the non-defaulting party or non-affected party may, in accordance with the provisions of the Swap Agreement, elect to terminate such Interest Rate Swap Agreement. If the Interest Rate Swap Agreement is terminated due to such Event of Default or Termination Event, a Swap Termination Payment may be due to the Swap Counterparty by the Issuer out of its available funds or to the Issuer by the Swap Counterparty. The amount of any such Swap Termination Payment may be based on the actual cost or market quotations of the cost of entering into a similar interest rate swap transaction or such other methods as may be required under the Swap Agreement, in each case in accordance with the procedures set forth in the Swap Agreement. Upon early termination, the Cash Manager shall also instruct the Account Bank to return any Excess Swap Collateral to the Swap Counterparty on the relevant Early Termination Date (as defined in the Swap Agreement).

The Swap Counterparty may under certain conditions transfer its obligations under the Interest Rate Swap Agreement to a third party with an acceptable rating as set forth in the Swap Agreement.

In the event that the Swap Counterparty has paid an additional amount or received a lesser amount pursuant to Section 2(d)(i) of the Interest Rate Swap Agreement, the Issuer will undertake to appoint a firm of chartered accountants to take



all reasonable steps to enquire with, or make any necessary application to, the relevant tax authorities in connection with any Tax Credit (as defined in the Swap Agreement) which may be made available to the Issuer in respect of such deduction or withholding. The Issuer further agrees that it shall, upon request by the Swap Counterparty following the date on which any Tax Credit is made available to the Issuer, supply the Swap Counterparty with a reasonably detailed explanation of its calculation of the amount of any such Tax Credit.

In the event that the Interest Rate Swap Agreement is terminated early and the Swap Counterparty is replaced by a Replacement Swap Counterparty, and a Replacement Swap Premium is received by the Issuer from the Replacement Swap Counterparty, any such Replacement Swap Premium shall be paid by the Cash Manager into the Swap Collateral Cash Account and shall be paid as soon as possible to the Swap Counterparty in satisfaction *pro tanto* of the Issuer's liability to pay any Swap Termination Payment to the Swap Counterparty. Any Replacement Swap Premium received from any Replacement Swap Counterparty shall not be included in any Available Distribution Amount and shall not be applied under the Priority of Payments.

#### *Applicable Law and Jurisdiction*

The Swap Agreement and the Interest Rate Swap Agreement and all non-contractual matters arising from or connected with them will be governed by and construed in accordance with the laws of England and Wales.

## THE PROVISIONAL RECEIVABLES POOL

The characteristics set forth in this section are based on the Receivables balance as at the Provisional Pool Date by application of certain selection criteria. The actual Initial Purchased Receivables Pool to be acquired by the Issuer on the Initial Purchase Date was randomly selected on the Initial Cut-Off Date and has similar characteristics to the Receivables contained in the Provisional Pool. The actual Initial Purchased Receivables Pool will have an Aggregate Outstanding Principal Balance of £543,780,000.00.

The Initial Receivables to be retained by the Seller under Articles 404-410 of the CRR, Section 5 of the AIFMR and Article 254 of the Solvency II Regulation will also be selected on a random basis from the Provisional Pool (see "THE RETAINED INTEREST POOL") in accordance with Article 405(1)(c) of the CRR, Section 5 of AIFMR (supplementing AIFMD) and Article 254 of the Solvency II Regulation.

The statistical distribution of the characteristics of the Initial Purchased Receivables Pool as at the Initial Cut-Off Date and the Initial Purchase Date will vary from the statistical distribution of those characteristics as at the Provisional Pool Date illustrated in the tables below.

The Provisional Pool had the aggregate characteristics indicated in Tables 1 to 27 below as at the Provisional Pool Date.

Each number in the tables is rounded to the level shown; therefore the totals of the numbers shown may be slightly different from the column totals.

### Composition of the Provisional Receivables Pool as at the Provisional Pool Date

#### Stratification Tables

##### 1. Summary Pool Information

Summary Pool Information	
Outstanding Balance	539,988,853.69
Number of Receivables	63,297.00
Average Outstanding Balance	8,531.03
Weighted Average Effective Rate	11.19%
Weighted Average Original LTV	89.99%
Weighted Average Remaining Term (months)	47.28
Weighted Average Seasoning (months)	5.09

##### 2. Breakdown by Outstanding Balance

Balance	Count	Balance	Count %	Balance %
0.00-2,499.99	2098	4,169,888.61	3.31%	0.77%
2,500.00-4,999.99	11779	46,238,842.17	18.61%	8.56%
5,000.00-7,499.99	17438	109,246,303.52	27.55%	20.23%
7,500.00-9,999.99	13543	117,534,228.50	21.40%	21.77%
10,000.00-14,999.99	13257	160,105,132.39	20.94%	29.65%
15,000.00-19,999.99	3545	60,242,585.94	5.60%	11.16%
20,000.00-24,999.99	968	21,453,686.83	1.53%	3.97%
25,000.00-29,999.99	365	9,864,604.08	0.58%	1.83%
30,000.00-49,999.99	304	11,133,581.66	0.48%	2.06%
Total	63297	539,988,853.69	100.00%	100.00%
Minimum	397.24			
Maximum	49,261.40			
Average	8,531.03			

### 3. Distribution by Loan to Advance

Loan to Advance	Count	Balance	Count %	Balance %
0.00-9.99	2	12,544.21	0.00%	0.00%
10.00-19.99	73	239,876.98	0.12%	0.04%
20.00-29.99	364	1,479,356.45	0.58%	0.27%
30.00-39.99	939	4,546,888.05	1.48%	0.84%
40.00-49.99	1803	10,702,747.45	2.85%	1.98%
50.00-59.99	3626	27,410,578.80	5.73%	5.08%
60.00-69.99	4936	41,477,323.33	7.80%	7.68%
70.00-79.99	7165	61,956,264.69	11.32%	11.47%
80.00-89.99	13728	123,772,682.32	21.69%	22.92%
90.00-99.99	18304	159,810,094.43	28.92%	29.60%
100.00-109.99	12357	108,580,496.98	19.52%	20.11%
<b>Total</b>	<b>63297</b>	<b>539,988,853.69</b>	<b>100.00%</b>	<b>100.00%</b>

Minimum (%) 8.34

Maximum (%) 100.00

Weighted Average (%) 85.48

### 4. Breakdown by Original LTV

Original LTV	Count	Balance	Count %	Balance %
0.00-9.99	1	9,751.64	0.00%	0.00%
10.00-19.99	63	194,403.23	0.10%	0.04%
20.00-29.99	351	1,402,620.42	0.55%	0.26%
30.00-39.99	853	4,248,649.32	1.35%	0.79%
40.00-49.99	1581	9,006,660.67	2.50%	1.67%
50.00-59.99	2737	19,620,811.24	4.32%	3.63%
60.00-69.99	4291	34,150,793.72	6.78%	6.32%
70.00-79.99	6339	55,524,999.91	10.01%	10.28%
80.00-89.99	10554	95,370,416.02	16.67%	17.66%
90.00-99.99	14891	138,091,851.12	23.53%	25.57%
100.00-109.99	17724	155,202,403.44	28.00%	28.74%
110.00-119.99	3598	25,585,835.55	5.68%	4.74%
120.00-129.99	314	1,579,657.40	0.50%	0.29%
<b>Total</b>	<b>63297</b>	<b>539,988,853.69</b>	<b>100.00%</b>	<b>100.00%</b>

Minimum (%) 8.29

Maximum (%) 124.98

Weighted Average (%) 89.99

### 5. Product Description

Description	Count	Balance	Count %	Balance %
HP Plus	2983	28,562,686.05	4.71%	5.29%
Hire Purchase with Balloon	88	1,460,309.72	0.14%	0.27%
Hire Purchase	49979	403,078,901.44	78.96%	74.65%
Rtl - PCP Product	10247	106,886,956.47	16.19%	19.79%
<b>Total</b>	<b>63297</b>	<b>539,988,853.69</b>	<b>100.00%</b>	<b>100.00%</b>

6. Distribution by Client Type

Description	Count	Balance	Count %	Balance %
Company	2489	27,487,529.94	3.93%	5.09%
Individual	60808	512,501,323.75	96.07%	94.91%
<b>Total</b>	<b>63297</b>	<b>539,988,853.69</b>	<b>100.00%</b>	<b>100.00%</b>

7. Breakdown by New/Used

New/Used	Count	Balance	Count %	Balance %
New	3537	33,466,943.99	5.59%	6.20%
Used	59760	506,521,909.70	94.41%	93.80%
<b>Total</b>	<b>63297</b>	<b>539,988,853.69</b>	<b>100.00%</b>	<b>100.00%</b>

8. Distribution by Payment Method

Method	Count	Balance	Count %	Balance %
Direct Debit	63152	538,615,919.75	99.77%	99.75%
Other	145	1,372,933.94	0.23%	0.25%
<b>Total</b>	<b>63297</b>	<b>539,988,853.69</b>	<b>100.00%</b>	<b>100.00%</b>

9. Breakdown by Stratification of Cars and LCV's

Cars and LCVs	Count	Balance	Count %	Balance %
Car	52336	452,307,257.36	82.68%	83.76%
Motorcycle	3111	15,771,997.71	4.91%	2.92%
Light Commercial Vehicle	7850	71,909,598.62	12.40%	13.32%
<b>Total</b>	<b>63297</b>	<b>539,988,853.69</b>	<b>100.00%</b>	<b>100.00%</b>

10. Breakdown by Original Term

Original Term	Count	Balance	Count %	Balance %
12.00-23.99	70	328,590.22	0.11%	0.06%
24.00-35.99	2343	10,543,993.95	3.70%	1.95%
36.00-47.99	10836	67,421,169.32	17.12%	12.49%
48.00-59.99	20978	182,696,530.80	33.14%	33.83%
60.00-71.99	29070	278,998,569.40	45.93%	51.67%
<b>Total</b>	<b>63297</b>	<b>539,988,853.69</b>	<b>100.00%</b>	<b>100.00%</b>

Minimum (months)	13.00
Maximum (months)	60.00
Weighted Average (months)	52.57

11. Breakdown by Seasoning

Seasoning	Count	Balance	Count %	Balance %
1	9101	76,782,412.68	14.38%	14.22%
2	10960	90,823,484.97	17.32%	16.82%
3	10958	88,244,735.27	17.31%	16.34%
4	11033	86,481,647.22	17.43%	16.02%
5	6910	56,142,140.98	10.92%	10.40%

6	2477	21,731,591.52	3.91%	4.02%
7	1127	10,691,126.84	1.78%	1.98%
8	247	1,960,501.49	0.39%	0.36%
9	586	6,361,438.75	0.93%	1.18%
10	1391	15,543,156.55	2.20%	2.88%
11	1513	16,057,679.55	2.39%	2.97%
12	1275	13,509,876.94	2.01%	2.50%
13	1079	11,585,665.23	1.70%	2.15%
14	1801	17,745,750.34	2.85%	3.29%
15	1570	15,571,431.19	2.48%	2.88%
16	867	7,718,458.54	1.37%	1.43%
17	32	258,631.31	0.05%	0.05%
18	51	405,199.82	0.08%	0.08%
19	37	306,677.62	0.06%	0.06%
20	33	298,508.94	0.05%	0.06%
21	48	332,137.38	0.08%	0.06%
22	12	94,342.01	0.02%	0.02%
23	16	122,855.71	0.03%	0.02%
24	11	71,337.06	0.02%	0.01%
>24	162	1,148,065.76	0.26%	0.21%
<b>Total</b>	<b>63297</b>	<b>539,988,853.69</b>	<b>100.00%</b>	<b>100.00%</b>

Minimum (months)	1.00
Maximum (months)	42.00
Weighted Average (months)	5.09

12. Breakdown by Remaining Term

Remaining Term	Count	Balance	Count %	Balance %
0.00-11.99	187	1,352,469.41	0.30%	0.25%
12.00-23.99	2876	16,055,116.24	4.54%	2.97%
24.00-35.99	13907	101,816,463.41	21.97%	18.86%
36.00-47.99	16808	137,812,290.29	26.55%	25.52%
48.00-59.99	29519	282,952,514.34	46.64%	52.40%
<b>Total</b>	<b>63297</b>	<b>539,988,853.69</b>	<b>100.00%</b>	<b>100.00%</b>

Minimum (months)	4.00
Maximum (months)	59.00
Weighted Average (months)	47.28

13. Breakdown by Effective Rate

Effective Rate	Count	Balance	Count %	Balance %
4.000-5.999	1422	16,900,677.43	2.25%	3.13%
6.000-6.999	3112	35,204,715.17	4.92%	6.52%
7.000-7.999	5064	57,257,706.03	8.00%	10.60%
8.000-8.999	4895	52,257,205.60	7.73%	9.68%
9.000-9.999	7254	70,391,008.95	11.46%	13.04%
10.000-10.999	6472	61,499,917.94	10.22%	11.39%
11.000-11.999	5887	49,543,060.71	9.30%	9.17%
12.000-12.999	6117	49,773,994.01	9.66%	9.22%

13.000-13.999	6039	43,450,527.65	9.54%	8.05%
14.000-14.999	3961	26,988,634.49	6.26%	5.00%
15.000-15.999	3585	25,498,131.31	5.66%	4.72%
16.000-16.999	3615	22,210,806.48	5.71%	4.11%
17.000-17.999	1977	9,923,843.51	3.12%	1.84%
18.000-18.999	940	4,405,665.45	1.49%	0.82%
19.000-19.999	1506	10,321,949.74	2.38%	1.91%
20.000-29.999	1368	4,204,260.04	2.16%	0.78%
30.000-39.999	77	152,531.31	0.12%	0.03%
40.000-49.999	5	3,820.62	0.01%	0.00%
50.000-149.999	1	397.24	0.00%	0.00%
<b>Total</b>	<b>63297</b>	<b>539,988,853.69</b>	<b>100.00%</b>	<b>100.00%</b>

Minimum (%) 4.85

Weighted Average (%) 11.19

14. PCP - Breakdown by PCP Residual Value as % of Current Balance

PCP RV % of Current Balance	Count	Balance	Count %	Balance %
0.00-9.99	0	-	0.00%	0.00%
10.00-19.99	0	-	0.00%	0.00%
20.00-29.99	64	573,856.44	0.62%	0.54%
30.00-39.99	1178	11,593,634.70	11.50%	10.85%
40.00-49.99	3855	39,768,711.98	37.62%	37.21%
50.00-59.99	2949	31,757,902.83	28.78%	29.71%
60.00-69.99	1193	12,641,066.87	11.64%	11.83%
70.00-79.99	547	5,680,898.39	5.34%	5.31%
80.00-89.99	308	3,082,076.90	3.01%	2.88%
90.00-99.99	142	1,620,105.01	1.39%	1.52%
100 >=	11	168,703.35	0.11%	0.16%
<b>Total</b>	<b>10247</b>	<b>106,886,956.47</b>	<b>100.00%</b>	<b>100.00%</b>

Minimum 21.66

Weighted Average 52.69

15. PCP - Breakdown by PCP Residual Value as % of Original Balance

PCP RV % of Original Balance	Count	Balance	Count %	Balance %
0.00-9.99	0	-	0.00%	0.00%
10.00-19.99	7	53,555.49	0.07%	0.05%
20.00-29.99	364	3,386,558.12	3.55%	3.17%
30.00-39.99	3338	33,483,518.63	32.58%	31.33%
40.00-49.99	3902	41,096,761.52	38.08%	38.45%
50.00-59.99	1621	17,472,013.92	15.82%	16.35%
60.00-69.99	593	6,380,035.80	5.79%	5.97%
70.00-79.99	250	2,783,830.26	2.44%	2.60%
80.00-89.99	118	1,446,275.33	1.15%	1.35%
90.00-99.99	51	747,823.05	0.50%	0.70%
100 >=	3	36,584.33	0.03%	0.03%
<b>Total</b>	<b>10247</b>	<b>106,886,956.47</b>	<b>100.00%</b>	<b>100.00%</b>

Minimum 18.42

16. Capital Financed

Capital Financed	Count	Balance	Count %	Balance %
0.00-2,499.99	1277	2,292,159.37	2.02%	0.42%
2,500.00-2,699.99	531	1,220,837.26	0.84%	0.23%
2,700.00-4,999.99	9504	34,743,363.72	15.01%	6.43%
5,000.00-7,499.99	16236	94,643,872.88	25.65%	17.53%
7,500.00-9,999.99	13796	111,013,334.44	21.80%	20.56%
10,000.00-12,499.99	9349	96,745,527.40	14.77%	17.92%
12,500.00-14,999.99	5643	71,500,920.25	8.92%	13.24%
15,000.00-17,499.99	3177	47,280,162.28	5.02%	8.76%
17,500.00-19,999.99	1508	26,073,507.24	2.38%	4.83%
20,000.00-22,499.99	855	16,590,381.76	1.35%	3.07%
22,500.00-24,999.99	435	9,458,687.44	0.69%	1.75%
25,000.00-29,999.99	535	13,177,044.57	0.85%	2.44%
30,000.00-34,999.99	208	6,039,675.34	0.33%	1.12%
35,000.00-39,999.99	101	3,453,925.12	0.16%	0.64%
40,000.00-44,999.99	82	3,139,555.81	0.13%	0.58%
45,000.00-49,999.99	51	2,204,587.12	0.08%	0.41%
50,000.00-74,999.99	9	411,311.69	0.01%	0.08%
<b>Total</b>	<b>63297</b>	<b>539,988,853.69</b>	<b>100.00%</b>	<b>100.00%</b>
Minimum	1,099.00			
Maximum	50,000.00			
Weighted Average	12,104.71			

17. Breakdown by Deposit

Deposit	Count	Balance	Count %	Balance %
0.00-2,499.99	46046	366,628,376.06	72.75%	67.90%
2,500.00-2,699.99	1444	12,453,795.67	2.28%	2.31%
2,700.00-4,999.99	8142	74,429,152.58	12.86%	13.78%
5,000.00-7,499.99	4163	40,844,930.08	6.58%	7.56%
7,500.00-9,999.99	1465	15,002,335.97	2.31%	2.78%
10,000.00-12,499.99	955	12,101,707.83	1.51%	2.24%
12,500.00-14,999.99	360	5,177,366.47	0.57%	0.96%
15,000.00-17,499.99	262	4,227,995.61	0.41%	0.78%
17,500.00-19,999.99	117	1,960,067.97	0.18%	0.36%
20,000.00-22,499.99	114	2,332,640.45	0.18%	0.43%
22,500.00-24,999.99	52	978,824.07	0.08%	0.18%
25,000.00-29,999.99	77	1,462,673.14	0.12%	0.27%
30,000.00-34,999.99	49	1,245,942.27	0.08%	0.23%
35,000.00-39,999.99	27	525,085.74	0.04%	0.10%
40,000.00-44,999.99	11	299,042.45	0.02%	0.06%
45,000.00-49,999.99	2	48,349.23	0.00%	0.01%
50,000.00-74,999.99	9	217,654.83	0.01%	0.04%
75,000.00>=	2	52,913.28	0.00%	0.01%
<b>Total</b>	<b>63297</b>	<b>539,988,853.69</b>	<b>100.00%</b>	<b>100.00%</b>

Minimum	0.00
Maximum	125,402.98
Weighted Average	2,633.01

18. Breakdown by Region

Region	Count	Balance	Count %	Balance %
East Midlands	4650	39,200,083.86	7.35%	7.26%
East of England	6078	52,399,973.02	9.60%	9.70%
London	4895	47,368,564.52	7.73%	8.77%
North East	3858	31,637,782.41	6.10%	5.86%
North West	7772	66,050,877.39	12.28%	12.23%
Scotland	6099	53,396,103.07	9.64%	9.89%
South East	6657	58,004,752.25	10.52%	10.74%
South West	6029	48,924,758.87	9.52%	9.06%
Wales	5263	41,402,528.64	8.31%	7.67%
West Midlands	6022	49,203,000.95	9.51%	9.11%
Yorkshire & Humberside	5974	52,400,428.72	9.44%	9.70%
<b>Total</b>	<b>63297</b>	<b>539,988,853.69</b>	<b>100.00%</b>	<b>100.00%</b>

19. Breakdown by Make

Make	Count	Balance	Count %	Balance %
FORD	10086	79,790,619.60	15.93%	14.78%
VAUXHALL	8915	64,371,590.54	14.08%	11.92%
AUDI	4467	49,434,643.91	7.06%	9.15%
BMW	4657	49,292,895.05	7.36%	9.13%
MERCEDES-BENZ	3335	39,868,873.46	5.27%	7.38%
VOLKSWAGEN	4071	34,768,057.17	6.43%	6.44%
LAND ROVER	1685	28,571,962.30	2.66%	5.29%
NISSAN	3103	26,528,413.31	4.90%	4.91%
PEUGEOT	2912	20,154,868.43	4.60%	3.73%
CITROEN	2654	17,837,950.80	4.19%	3.30%
RENAULT	2180	16,439,591.63	3.44%	3.04%
KIA	1261	10,679,682.15	1.99%	1.98%
HYUNDAI	1226	9,817,014.69	1.94%	1.82%
FIAT	1399	8,263,503.10	2.21%	1.53%
SEAT	1127	7,937,191.63	1.78%	1.47%
MINI	1052	7,424,645.17	1.66%	1.37%
HONDA	1267	6,732,379.51	2.00%	1.25%
TOYOTA	874	6,218,393.51	1.38%	1.15%
VOLVO	638	5,792,408.05	1.01%	1.07%
JAGUAR	469	5,601,648.36	0.74%	1.04%
MAZDA	567	4,469,786.84	0.90%	0.83%
MITSUBISHI	387	3,906,340.91	0.61%	0.72%
SKODA	529	3,801,109.69	0.84%	0.70%
PORSCHE	148	3,412,054.56	0.23%	0.63%
SUZUKI	567	2,966,497.07	0.90%	0.55%
Other	3721	25,906,732.25	5.88%	4.80%



<b>Total</b>	<b>63297</b>	<b>539,988,853.69</b>	<b>100.00%</b>	<b>100.00%</b>
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20. Breakdown by Age of Car

Age	Count	Balance	Count %	Balance %
<=11.99	3788	40,626,129.02	5.98%	7.52%
12.00-23.99	5853	60,153,918.86	9.25%	11.14%
24.00-35.99	7737	76,192,539.59	12.22%	14.11%
36.00-47.99	14487	131,097,394.31	22.89%	24.28%
48.00-59.99	10957	95,235,074.26	17.31%	17.64%
60.00-71.99	6467	51,432,237.93	10.22%	9.52%
72.00-83.99	4939	34,835,646.55	7.80%	6.45%
84.00-95.99	3525	21,918,712.67	5.57%	4.06%
96.00-107.99	2473	13,573,337.00	3.91%	2.51%
108.00-119.99	1882	9,372,551.64	2.97%	1.74%
120.00-131.99	1189	5,551,311.87	1.88%	1.03%
<b>Total</b>	<b>63297</b>	<b>539,988,853.69</b>	<b>100.00%</b>	<b>100.00%</b>

Minimum (months)	1.00
Maximum (months)	129.00
Weighted Average (months)	46.75

21. Breakdown by CCA Regulated

Regulated	Count	Balance	Count %	Balance %
No	2391	26,384,876.16	3.78%	4.89%
Yes	60906	513,603,977.52	96.22%	95.11%
<b>Total</b>	<b>63297</b>	<b>539,988,853.69</b>	<b>100.00%</b>	<b>100.00%</b>

22. Breakdown by Dealer Grade

Grade	Count	Balance	Count %	Balance %
Blank	631	4,412,424.21	1.00%	0.82%
A	38641	328,649,746.51	61.05%	60.86%
B	20844	178,104,333.73	32.93%	32.98%
C	2917	27,044,507.86	4.61%	5.01%
D	264	1,777,841.37	0.42%	0.33%
<b>Total</b>	<b>63297</b>	<b>539,988,853.69</b>	<b>100.00%</b>	<b>100.00%</b>

23. Breakdown by Top 20 Dealers

Top 20 Dealers	Count	Balance	Count %	Balance %
Arnold Clark Automobiles Ltd	3815	34,568,648.34	6.03%	6.40%
Car Giant	2127	20,127,157.19	3.36%	3.73%
Motion Finance 2017 Limited	1068	7,204,426.50	1.69%	1.33%
V12 Sports And Classics Ltd	776	6,942,988.75	1.23%	1.29%
The Trade Centre Wales Ltd - Wednesbury	905	6,405,688.42	1.43%	1.19%
Vans Direct Ltd	433	5,493,534.21	0.68%	1.02%
Evolution Funding Ltd DSAVER (Motorclick)	528	5,359,947.35	0.83%	0.99%
Evolution Funding Ltd DEAL SAVER	460	5,015,769.38	0.73%	0.93%
Big Motoring World (West Malling )	366	4,455,767.85	0.58%	0.83%

The Trade Centre Wales Limited (Neath)	657	4,177,912.49	1.04%	0.77%
Carbase (Bristol)	465	4,095,857.70	0.73%	0.76%
Hilton Garage Ltd	444	3,896,181.33	0.70%	0.72%
Mann Island Finance Limited	378	3,895,813.59	0.60%	0.72%
European Vehicle Contracts Ltd	439	3,671,331.72	0.69%	0.68%
Motor Outlet Limited	356	3,203,809.06	0.56%	0.59%
DSG Financial Services Limited	249	2,773,191.00	0.39%	0.51%
Evolution Funding Limited (APR)	414	2,730,435.57	0.65%	0.51%
Evolution Funding Ltd (Motoclick)	366	2,677,576.70	0.58%	0.50%
Rix Motor Company Limited	204	2,475,240.32	0.32%	0.46%
Ron Skinner & Sons Ltd	308	2,439,614.57	0.49%	0.45%
Other	48539	408,377,961.68	76.68%	75.63%
<b>Total</b>	<b>63297</b>	<b>539,988,853.69</b>	<b>100.00%</b>	<b>100.00%</b>

#### 24. Fuel Type

Type	Count	Balance	Count %	Balance %
No Data	1593	6,927,479.87	2.52%	1.28%
Alternative Energy	441	4,997,616.94	0.70%	0.93%
Diesel	38575	368,082,262.91	60.94%	68.16%
Petrol	22688	159,981,493.97	35.84%	29.63%
<b>Total</b>	<b>63297</b>	<b>539,988,853.69</b>	<b>100.00%</b>	<b>100.00%</b>

#### 25. PCP Product - Quarter Of Maturity Distribution

Type	Count	Balance	Count %	Balance %	PCP RV Balance	Balance %
2018 Q2	6	31,691.51	0.06%	0.03%	29,226.25	0.05%
2018 Q3	27	164,835.72	0.26%	0.15%	150,590.25	0.27%
2018 Q4	114	885,552.92	1.11%	0.83%	776,031.27	1.38%
2019 Q1	80	831,919.37	0.78%	0.78%	722,002.38	1.28%
2019 Q2	93	764,339.30	0.91%	0.72%	631,824.31	1.12%
2019 Q3	84	646,780.26	0.82%	0.61%	501,339.97	0.89%
2019 Q4	611	5,493,531.79	5.96%	5.14%	3,907,776.80	6.94%
2020 Q1	471	4,455,928.76	4.60%	4.17%	2,970,715.30	5.27%
2020 Q2	348	3,317,891.55	3.40%	3.10%	2,084,292.76	3.70%
2020 Q3	160	1,486,050.17	1.56%	1.39%	860,258.27	1.53%
2020 Q4	3407	34,491,931.90	33.25%	32.27%	17,607,040.58	31.26%
2021 Q1	3227	35,339,404.44	31.49%	33.06%	17,472,321.36	31.02%
2021 Q2	1616	18,942,554.29	15.77%	17.72%	8,591,841.23	15.25%
2021 Q3	3	34,544.49	0.03%	0.03%	18,480.42	0.03%
<b>Total</b>	<b>10247</b>	<b>106,886,956.47</b>	<b>100.00%</b>	<b>100.00%</b>	<b>56,323,741.15</b>	<b>100.00%</b>

#### 26. PCP Product Final Payment Amount

Type	Count	Balance	Count %	Balance %
0.00-2,499.99	730	3,615,140.38	7.12%	3.38%
2,500.00-2,699.99	236	1,410,903.32	2.30%	1.32%
2,700.00-4,999.99	4967	38,850,134.50	48.47%	36.35%
5,000.00-7,499.99	2671	30,794,994.30	26.07%	28.81%
7,500.00-9,999.99	801	12,265,661.84	7.82%	11.48%

10,000.00-12,499.99	358	6,936,743.66	3.49%	6.49%
12,500.00-14,999.99	212	4,937,416.25	2.07%	4.62%
15,000.00-17,499.99	124	3,126,907.09	1.21%	2.93%
17,500.00-19,999.99	53	1,470,934.24	0.52%	1.38%
20,000.00-22,499.99	31	1,025,336.45	0.30%	0.96%
22,500.00-24,999.99	17	630,669.70	0.17%	0.59%
25,000.00-29,999.99	25	927,531.24	0.24%	0.87%
30,000.00-34,999.99	10	391,290.65	0.10%	0.37%
35,000.00-39,999.99	7	280,952.26	0.07%	0.26%
40,000.00-44,999.99	5	222,340.59	0.05%	0.21%
<b>Total</b>	<b>10247</b>	<b>106,886,956.47</b>	<b>100.00%</b>	<b>100.00%</b>

27. Breakdown by New/Used (PCP Contracts)

<b>New/Used - PCP Contracts</b>	<b>Count</b>	<b>Balance</b>	<b>Count %</b>	<b>Balance %</b>
New	1117	10,539,248.81	10.90%	9.86%
Used	9130	96,347,707.65	89.10%	90.14%
<b>Total</b>	<b>10247</b>	<b>106,886,956.47</b>	<b>100.00%</b>	<b>100.00%</b>

## **THE RETAINED INTEREST POOL**

FRB London has randomly selected the Receivables to be retained (to constitute the Retained Interest on the Closing Date) in order to enable the Noteholders to meet their obligations under Articles 404 - 410 of the CRR (pursuant to Article 405(1)(c)), Section 5 of the AIFMR and Article 254 of Solvency II Regulation using the following methodology:

- As at the Initial Cut-Off Date, the Financing Contracts were reviewed to exclude any Receivables that failed to meet the Eligibility Criteria or have been repaid.
- Financing Contracts representing 5% of the pool were then randomly selected in an externally sourced computer programme.
- This resulted in the selection of 3148 Financing Contracts that will be retained on balance sheet by the Seller.
- These Financing Contracts will be identified on the Seller's internal systems and records to ensure that they are not selected for any subsequent securitisations nor benefit from any form of hedging or credit mitigation.

FRB London has undertaken to randomly select the Receivables to be retained (to form part of the Retained Interest) on each Additional Cut-off Date following the same methodology. For the avoidance of doubt, after randomly retaining the relevant Receivables on any Additional Purchase Date, the total Retained Interest of FRB London shall be at least 5% of the Aggregate Principal Balance of all the Purchased Receivables in the Portfolio on the relevant Additional Cut-off Date (including previously purchased Receivables).

## HISTORICAL PERFORMANCE DATA

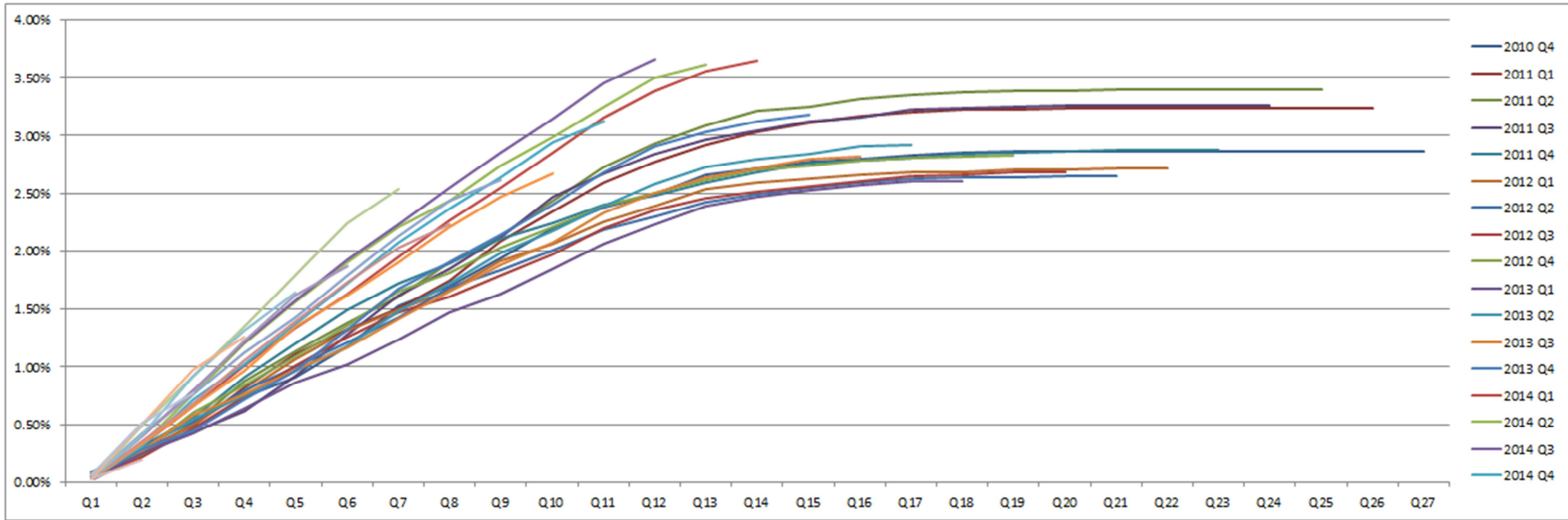
FRB London has extracted data on the historical performance of its entire motor vehicle receivables portfolio for the HP Contracts, HP+ Contracts and PCP Contracts. The tables below show historical data on net losses for the relevant period as set out in each table. Prospective investors should be aware that historical performance is not a reliable indicator of future results.

### Static Cumulative Default Rates - All Vehicles (Default Amount/Amount Originated in Each Quarter)

Source: MotoNovo Finance

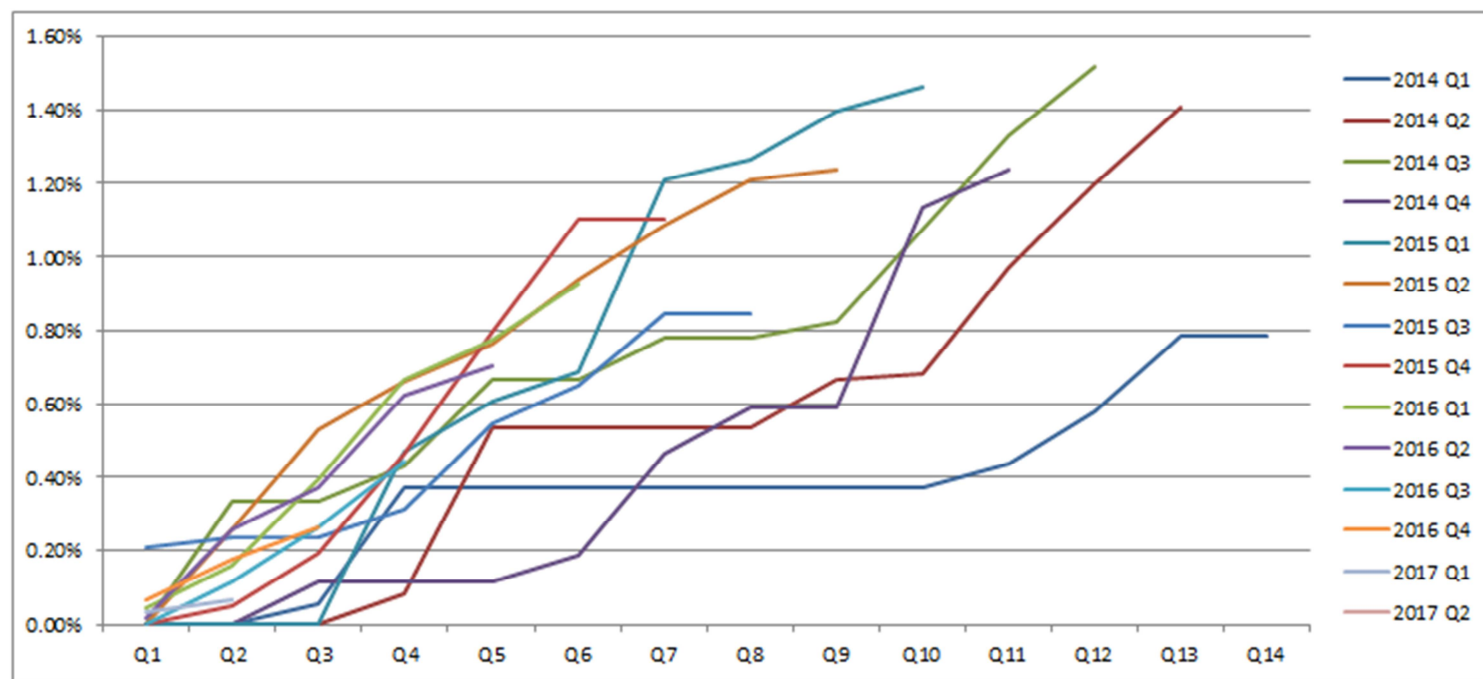
HP Total section		Quarters after Origination																										
Quarter of Origination	Original Principal Amount of Loans Originated in each Quarter (GBP)	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27
2010 Q4	77,097,253	0.02%	0.24%	0.45%	0.74%	0.90%	1.17%	1.53%	1.70%	1.94%	2.20%	2.37%	2.49%	2.66%	2.72%	2.78%	2.80%	2.83%	2.85%	2.86%	2.86%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%
2011 Q1	100,628,882	0.04%	0.28%	0.49%	0.82%	1.11%	1.33%	1.51%	1.74%	2.08%	2.34%	2.59%	2.77%	2.93%	3.04%	3.11%	3.17%	3.20%	3.22%	3.23%	3.23%	3.24%	3.24%	3.24%	3.24%	3.24%	3.24%	3.24%
2011 Q2	99,878,386	0.03%	0.23%	0.51%	0.88%	1.13%	1.38%	1.60%	1.91%	2.13%	2.44%	2.73%	2.93%	3.09%	3.21%	3.24%	3.31%	3.36%	3.37%	3.39%	3.39%	3.39%	3.39%	3.39%	3.39%	3.39%	3.39%	3.39%
2011 Q3	101,406,965	0.06%	0.26%	0.43%	0.61%	0.91%	1.28%	1.62%	1.85%	2.11%	2.47%	2.67%	2.84%	2.97%	3.04%	3.12%	3.16%	3.22%	3.23%	3.25%	3.26%	3.26%	3.26%	3.26%	3.26%	3.26%	3.26%	3.26%
2011 Q4	86,866,322	0.03%	0.31%	0.56%	0.91%	1.20%	1.50%	1.72%	1.90%	2.11%	2.24%	2.40%	2.48%	2.59%	2.69%	2.76%	2.79%	2.81%	2.84%	2.85%	2.86%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%
2012 Q1	121,961,819	0.04%	0.25%	0.50%	0.78%	1.07%	1.32%	1.50%	1.67%	1.92%	2.06%	2.26%	2.39%	2.54%	2.59%	2.63%	2.66%	2.68%	2.69%	2.70%	2.71%	2.72%	2.72%	2.72%	2.72%	2.72%	2.72%	2.72%
2012 Q2	126,162,524	0.09%	0.31%	0.52%	0.80%	1.00%	1.21%	1.43%	1.68%	1.83%	2.01%	2.18%	2.30%	2.42%	2.49%	2.55%	2.59%	2.62%	2.63%	2.64%	2.64%	2.65%	2.65%	2.65%	2.65%	2.65%	2.65%	2.65%
2012 Q3	123,385,742	0.02%	0.22%	0.47%	0.74%	1.01%	1.26%	1.47%	1.61%	1.78%	1.97%	2.20%	2.36%	2.46%	2.51%	2.56%	2.60%	2.65%	2.66%	2.66%	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%
2012 Q4	111,627,886	0.04%	0.26%	0.60%	0.84%	1.08%	1.36%	1.65%	1.82%	2.02%	2.21%	2.39%	2.50%	2.61%	2.70%	2.74%	2.78%	2.80%	2.82%	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%
2013 Q1	126,604,657	0.03%	0.25%	0.42%	0.64%	0.87%	1.02%	1.23%	1.48%	1.64%	1.84%	2.06%	2.23%	2.39%	2.47%	2.52%	2.56%	2.60%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%
2013 Q2	144,765,111	0.09%	0.29%	0.54%	0.75%	0.97%	1.17%	1.49%	1.72%	1.98%	2.18%	2.39%	2.58%	2.72%	2.80%	2.84%	2.91%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%
2013 Q3	154,154,640	0.07%	0.28%	0.58%	0.76%	0.98%	1.17%	1.41%	1.65%	1.87%	2.08%	2.33%	2.50%	2.64%	2.72%	2.79%	2.82%	2.82%	2.82%	2.82%	2.82%	2.82%	2.82%	2.82%	2.82%	2.82%	2.82%	2.82%
2013 Q4	152,095,441	0.04%	0.29%	0.44%	0.71%	0.97%	1.33%	1.68%	1.90%	2.14%	2.40%	2.68%	2.91%	3.03%	3.13%	3.18%	3.18%	3.18%	3.18%	3.18%	3.18%	3.18%	3.18%	3.18%	3.18%	3.18%	3.18%	3.18%
2014 Q1	229,080,288	0.05%	0.33%	0.66%	1.01%	1.34%	1.63%	1.95%	2.26%	2.55%	2.86%	3.15%	3.38%	3.56%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%

HP Total section		Quarters after Origination																										
Quarter of Origination	Original Principal Amount of Loans Originated in each Quarter (GBP)	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27
2014 Q2	252,579,412	0.02%	0.33%	0.77%	1.20%	1.57%	1.90%	2.20%	2.44%	2.74%	2.99%	3.25%	3.49%	3.61%														
2014 Q3	251,126,618	0.03%	0.40%	0.79%	1.22%	1.58%	1.93%	2.23%	2.55%	2.86%	3.14%	3.46%	3.66%															
2014 Q4	224,190,002	0.04%	0.31%	0.71%	1.02%	1.37%	1.73%	2.07%	2.36%	2.64%	2.94%	3.12%																
2015 Q1	290,987,106	0.03%	0.33%	0.66%	0.97%	1.34%	1.61%	1.90%	2.21%	2.46%	2.68%																	
2015 Q2	289,538,909	0.03%	0.42%	0.76%	1.12%	1.43%	1.79%	2.13%	2.44%	2.61%																		
2015 Q3	303,876,777	0.03%	0.36%	0.69%	1.06%	1.40%	1.73%	2.03%	2.23%																			
2015 Q4	275,285,067	0.02%	0.49%	0.92%	1.35%	1.79%	2.25%	2.53%																				
2016 Q1	356,820,053	0.03%	0.40%	0.78%	1.22%	1.62%	1.87%																					
2016 Q2	357,221,758	0.03%	0.41%	0.92%	1.32%	1.64%																						
2016 Q3	348,687,993	0.03%	0.50%	0.98%	1.26%																							
2016 Q4	280,454,555	0.06%	0.52%	0.77%																								
2017 Q1	343,785,141	0.03%	0.20%																									
2017 Q2	367,118,122	0.01%																										



PCP Motor Total section		Quarters after Origination													
Quarter of Origination	Original Principal Amount of Loans Originated in each Quarter (GBP)	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14
2014 Q1	3,387,867	0.00%	0.00%	0.05%	0.37%	0.37%	0.37%	0.37%	0.37%	0.37%	0.37%	0.44%	0.58%	0.78%	0.78%
2014 Q2	7,008,803	0.00%	0.00%	0.00%	0.08%	0.53%	0.53%	0.53%	0.53%	0.66%	0.68%	0.97%	1.20%	1.40%	
2014 Q3	9,007,366	0.00%	0.33%	0.33%	0.43%	0.67%	0.67%	0.78%	0.78%	0.83%	1.08%	1.33%	1.52%		
2014 Q4	9,215,504	0.00%	0.00%	0.12%	0.12%	0.12%	0.18%	0.47%	0.59%	0.59%	1.13%	1.24%			
2015 Q1	12,052,870	0.00%	0.00%	0.00%	0.47%	0.61%	0.69%	1.21%	1.27%	1.40%	1.46%				
2015 Q2	15,408,362	0.00%	0.26%	0.53%	0.66%	0.77%	0.94%	1.08%	1.21%	1.24%					
2015 Q3	16,366,689	0.21%	0.24%	0.24%	0.31%	0.55%	0.65%	0.84%	0.84%						
2015 Q4	34,162,703	0.00%	0.05%	0.19%	0.46%	0.80%	1.10%	1.10%							
2016 Q1	64,795,887	0.04%	0.16%	0.39%	0.67%	0.78%	0.93%								
2016 Q2	80,341,173	0.02%	0.26%	0.37%	0.62%	0.71%									
2016 Q3	78,956,134	0.00%	0.12%	0.26%	0.44%										
2016 Q4	77,616,176	0.06%	0.17%	0.26%											
2017 Q1	66,431,160	0.04%	0.07%												
2017 Q2	56,457,335	0.00%													



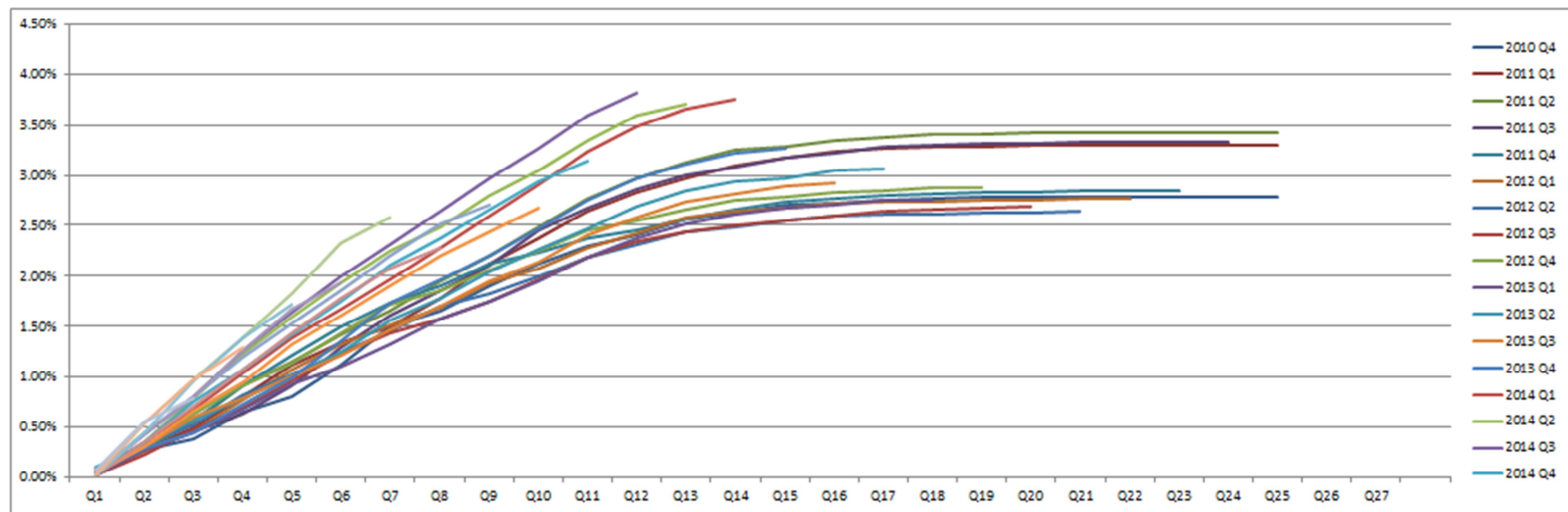


**Static Cumulative Default Rates - Used Vehicles (Default Amount/Amount Originated in Each Quarter)**

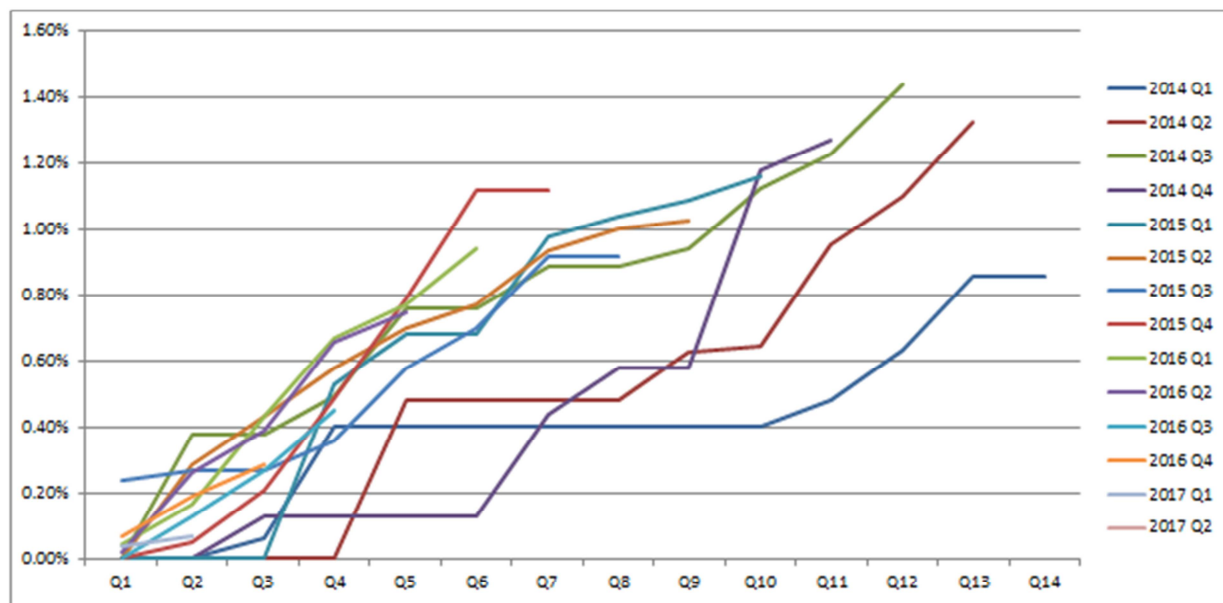
Source: MotoNovo Finance

HP Cars USED section		Quarters after Origination																										
Quarter of Origination	Original Principal Amount of Loans Originated in each Quarter (GBP)	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27
2010 Q4	62,768,102	0.02%	0.27%	0.38%	0.64%	0.81%	1.12%	1.50%	1.66%	1.90%	2.13%	2.29%	2.41%	2.56%	2.63%	2.69%	2.71%	2.74%	2.77%	2.77%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%
2011 Q1	83,107,567	0.05%	0.29%	0.50%	0.80%	1.12%	1.35%	1.50%	1.78%	2.12%	2.38%	2.64%	2.83%	2.98%	3.10%	3.18%	3.24%	3.26%	3.29%	3.29%	3.29%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%
2011 Q2	85,352,678	0.04%	0.27%	0.56%	0.92%	1.16%	1.42%	1.65%	1.95%	2.20%	2.48%	2.76%	2.97%	3.13%	3.25%	3.28%	3.34%	3.38%	3.41%	3.42%	3.42%	3.43%	3.43%	3.43%	3.43%	3.43%	3.43%	3.43%
2011 Q3	86,454,839	0.06%	0.29%	0.46%	0.63%	0.92%	1.29%	1.61%	1.85%	2.11%	2.45%	2.68%	2.86%	3.00%	3.08%	3.17%	3.22%	3.29%	3.30%	3.31%	3.32%	3.32%	3.32%	3.32%	3.32%	3.32%	3.32%	3.32%
2011 Q4	72,847,994	0.04%	0.33%	0.57%	0.92%	1.21%	1.49%	1.73%	1.91%	2.12%	2.23%	2.37%	2.44%	2.56%	2.65%	2.74%	2.77%	2.79%	2.81%	2.83%	2.83%	2.84%	2.84%	2.84%				
2012 Q1	102,955,571	0.05%	0.25%	0.47%	0.77%	1.08%	1.32%	1.50%	1.68%	1.94%	2.08%	2.28%	2.42%	2.58%	2.64%	2.68%	2.71%	2.73%	2.73%	2.75%	2.76%	2.77%	2.77%					
2012 Q2	109,542,782	0.07%	0.32%	0.53%	0.82%	1.03%	1.24%	1.45%	1.70%	1.83%	2.00%	2.18%	2.30%	2.43%	2.49%	2.55%	2.59%	2.61%	2.62%	2.62%	2.63%	2.64%						
2012 Q3	107,668,130	0.02%	0.23%	0.47%	0.70%	0.97%	1.23%	1.44%	1.57%	1.75%	1.96%	2.18%	2.35%	2.44%	2.49%	2.55%	2.60%	2.64%	2.66%	2.67%	2.68%							
2012 Q4	97,138,072	0.04%	0.28%	0.64%	0.91%	1.14%	1.43%	1.72%	1.86%	2.06%	2.25%	2.45%	2.55%	2.65%	2.75%	2.79%	2.82%	2.85%	2.87%	2.88%								
2013 Q1	110,319,198	0.02%	0.27%	0.45%	0.68%	0.93%	1.10%	1.32%	1.58%	1.74%	1.95%	2.19%	2.37%	2.52%	2.61%	2.67%	2.71%	2.75%	2.75%									
2013 Q2	123,862,005	0.09%	0.32%	0.57%	0.78%	1.01%	1.24%	1.56%	1.78%	2.05%	2.26%	2.47%	2.69%	2.85%	2.93%	2.98%	3.05%	3.06%										
2013 Q3	131,573,316	0.07%	0.30%	0.60%	0.79%	1.01%	1.22%	1.46%	1.70%	1.95%	2.13%	2.40%	2.58%	2.74%	2.82%	2.89%	2.92%											
2013 Q4	127,705,201	0.05%	0.29%	0.45%	0.73%	0.99%	1.36%	1.73%	1.96%	2.21%	2.47%	2.74%	2.97%	3.11%	3.22%	3.26%												
2014 Q1	189,950,084	0.05%	0.35%	0.67%	1.04%	1.39%	1.67%	1.97%	2.29%	2.59%	2.91%	3.23%	3.48%	3.66%	3.75%													
2014 Q2	210,879,114	0.02%	0.35%	0.79%	1.22%	1.59%	1.93%	2.24%	2.48%	2.80%	3.05%	3.34%	3.60%	3.70%														
2014 Q3	206,165,437	0.04%	0.43%	0.81%	1.26%	1.63%	2.00%	2.32%	2.64%	2.97%	3.27%	3.59%	3.81%															
2014 Q4	181,273,294	0.04%	0.35%	0.76%	1.07%	1.42%	1.74%	2.10%	2.37%	2.66%	2.94%	3.13%																
2015 Q1	239,129,781	0.03%	0.31%	0.67%	0.95%	1.32%	1.61%	1.91%	2.19%	2.44%	2.66%																	
2015 Q2	237,350,450	0.03%	0.44%	0.81%	1.20%	1.52%	1.85%	2.20%	2.51%	2.70%																		

HP Cars USED section		Quarters after Origination																										
Quarter of Origination	Original Principal Amount of Loans Originated in each Quarter (GBP)	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27
2015 Q3	246,010,543	0.02%	0.35%	0.71%	1.08%	1.44%	1.77%	2.07%	2.29%																			
2015 Q4	224,433,098	0.02%	0.54%	0.98%	1.39%	1.83%	2.33%	2.58%																				
2016 Q1	296,232,139	0.03%	0.43%	0.81%	1.26%	1.67%	1.93%																					
2016 Q2	292,567,494	0.03%	0.44%	0.97%	1.38%	1.72%																						
2016 Q3	288,161,453	0.03%	0.54%	0.99%	1.29%																							
2016 Q4	229,233,324	0.07%	0.56%	0.79%																								
2017 Q1	281,027,675	0.03%	0.23%																									
2017 Q2	298,600,326	0.02%																										



PCP Cars USED section		Quarters after Origination													
Quarter of Origination	Original Principal Amount of Loans Originated in each Quarter (GBP)	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14
2014 Q1	3,093,790	0.00%	0.00%	0.06%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.48%	0.63%	0.86%	0.86%
2014 Q2	6,519,878	0.00%	0.00%	0.00%	0.00%	0.48%	0.48%	0.48%	0.48%	0.62%	0.64%	0.96%	1.10%	1.32%	
2014 Q3	7,912,450	0.00%	0.38%	0.38%	0.49%	0.76%	0.76%	0.89%	0.89%	0.94%	1.12%	1.23%	1.44%		
2014 Q4	8,312,525	0.00%	0.00%	0.13%	0.13%	0.13%	0.13%	0.44%	0.58%	0.58%	1.18%	1.27%			
2015 Q1	10,715,309	0.00%	0.00%	0.00%	0.53%	0.68%	0.68%	0.98%	1.04%	1.09%	1.16%				
2015 Q2	13,801,107	0.00%	0.29%	0.43%	0.58%	0.70%	0.77%	0.93%	1.00%	1.03%					
2015 Q3	14,258,915	0.24%	0.27%	0.27%	0.36%	0.58%	0.70%	0.92%	0.92%						
2015 Q4	31,151,223	0.00%	0.05%	0.21%	0.49%	0.79%	1.12%	1.12%							
2016 Q1	57,432,156	0.05%	0.16%	0.43%	0.67%	0.77%	0.94%								
2016 Q2	71,352,318	0.02%	0.26%	0.39%	0.66%	0.75%									
2016 Q3	70,567,060	0.00%	0.13%	0.27%	0.45%										
2016 Q4	70,653,379	0.07%	0.19%	0.29%											
2017 Q1	62,258,548	0.04%	0.07%												
2017 Q2	54,045,230	0.00%													



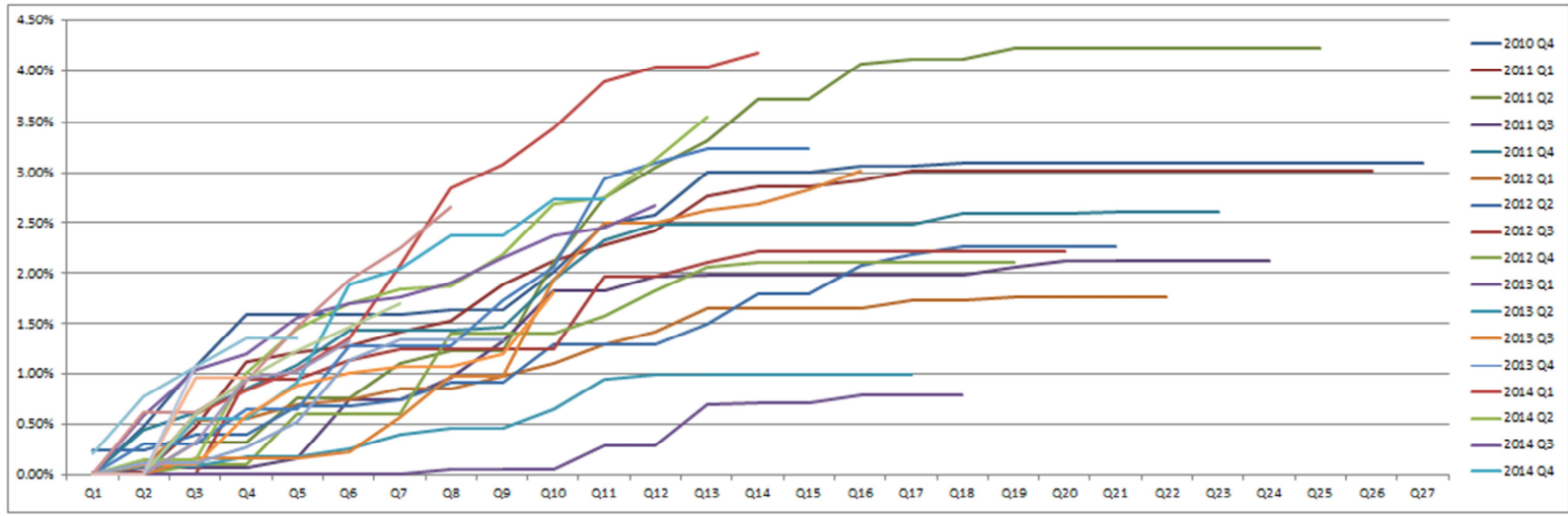
### Static Cumulative Default Rates - New Vehicles (Default Amount/Amount Originated in Each Quarter)

Source MotoNovo Finance

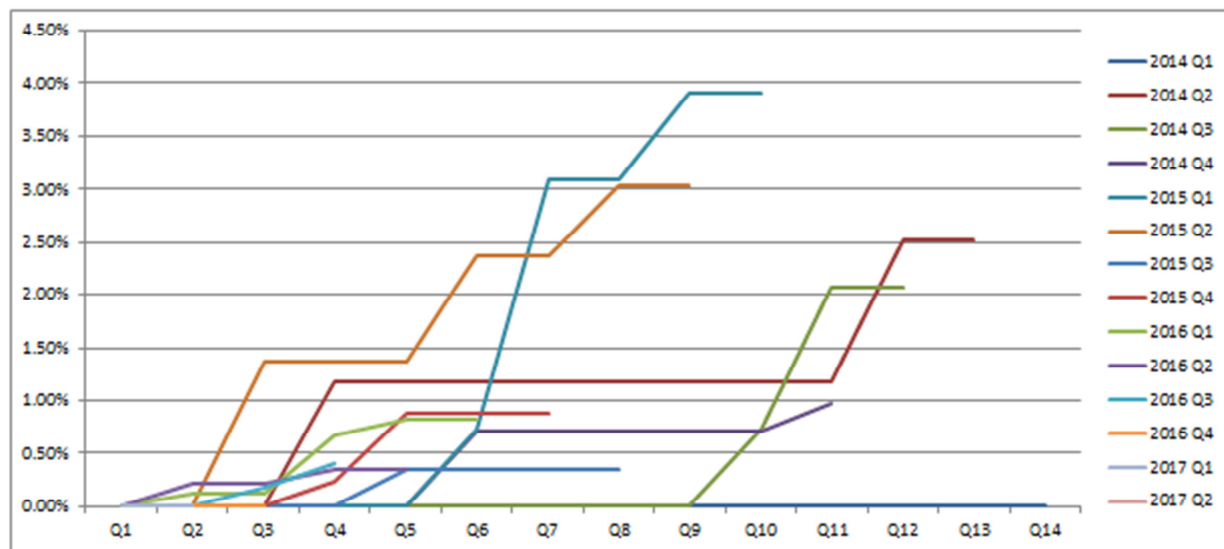
HP Car NEW section		Quarters after Origination																										
Quarter of Origination	Original Principal Amount of Loans Originated in each Quarter (GBP)	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27
2010 Q4	4,213,768	0.00%	0.48%	1.07%	1.59%	1.59%	1.59%	1.59%	1.64%	1.64%	2.01%	2.48%	2.59%	3.00%	3.00%	3.00%	3.07%	3.07%	3.09%	3.09%	3.09%	3.09%	3.09%	3.09%	3.09%	3.09%	3.09%	3.09%
2011 Q1	5,575,380	0.02%	0.02%	0.48%	1.13%	1.22%	1.27%	1.42%	1.53%	1.89%	2.12%	2.28%	2.42%	2.76%	2.85%	2.85%	2.92%	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%
2011 Q2	4,528,239	0.00%	0.00%	0.32%	0.32%	0.76%	0.76%	1.10%	1.22%	1.23%	2.10%	2.74%	3.05%	3.32%	3.72%	3.72%	4.07%	4.12%	4.12%	4.22%	4.22%	4.22%	4.22%	4.22%	4.22%	4.22%	4.22%	4.22%
2011 Q3	4,192,510	0.00%	0.07%	0.07%	0.07%	0.16%	0.74%	0.74%	0.97%	1.32%	1.83%	1.83%	1.96%	1.98%	1.98%	1.98%	1.98%	1.98%	1.98%	2.06%	2.13%	2.13%	2.13%	2.13%	2.13%	2.13%	2.13%	2.13%
2011 Q4	4,238,798	0.00%	0.44%	0.62%	0.86%	1.08%	1.43%	1.43%	1.43%	1.47%	1.94%	2.33%	2.48%	2.48%	2.48%	2.48%	2.48%	2.48%	2.59%	2.59%	2.59%	2.61%	2.61%	2.61%				
2012 Q1	6,565,159	0.00%	0.08%	0.54%	0.55%	0.70%	0.74%	0.86%	0.86%	0.98%	1.10%	1.29%	1.42%	1.66%	1.66%	1.66%	1.66%	1.73%	1.73%	1.76%	1.76%	1.76%	1.76%					
2012 Q2	5,798,557	0.25%	0.25%	0.40%	0.40%	0.68%	0.68%	0.74%	0.91%	0.91%	1.30%	1.30%	1.30%	1.50%	1.79%	1.79%	2.08%	2.18%	2.26%	2.26%	2.26%	2.26%						
2012 Q3	4,383,886	0.00%	0.00%	0.00%	0.95%	0.95%	1.13%	1.25%	1.25%	1.25%	1.25%	1.97%	1.97%	2.10%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%						
2012 Q4	3,354,470	0.00%	0.00%	0.10%	0.10%	0.61%	0.61%	0.61%	1.40%	1.40%	1.40%	1.57%	1.82%	2.06%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%							
2013 Q1	3,605,989	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%	0.06%	0.06%	0.30%	0.30%	0.70%	0.71%	0.71%	0.79%	0.79%	0.79%									
2013 Q2	4,747,118	0.00%	0.08%	0.08%	0.18%	0.18%	0.26%	0.40%	0.46%	0.46%	0.65%	0.95%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%									
2013 Q3	4,985,684	0.00%	0.00%	0.16%	0.16%	0.16%	0.23%	0.58%	0.99%	0.99%	1.94%	2.50%	2.50%	2.63%	2.69%	2.83%	3.01%											
2013 Q4	4,452,356	0.00%	0.30%	0.30%	0.64%	0.64%	1.27%	1.27%	1.27%	1.74%	2.06%	2.93%	3.09%	3.24%	3.24%	3.24%												
2014 Q1	6,966,648	0.00%	0.00%	0.60%	0.83%	1.05%	1.36%	2.08%	2.84%	3.08%	3.44%	3.90%	4.03%	4.03%	4.17%													
2014 Q2	6,426,524	0.00%	0.15%	0.15%	1.01%	1.45%	1.71%	1.84%	1.87%	2.18%	2.69%	2.75%	3.13%	3.55%														
2014 Q3	6,140,361	0.00%	0.58%	1.05%	1.20%	1.56%	1.71%	1.76%	1.91%	2.16%	2.37%	2.45%	2.67%															
2014 Q4	5,217,440	0.00%	0.00%	0.56%	0.56%	0.91%	1.89%	2.05%	2.37%	2.37%	2.73%	2.73%																
2015 Q1	6,270,024	0.00%	0.10%	0.10%	0.59%	0.88%	1.01%	1.08%	1.08%	1.20%	1.81%																	
2015 Q2	3,728,266	0.00%	0.12%	0.12%	0.27%	0.53%	1.14%	1.33%	1.33%	1.33%																		

HP Car NEW section		Quarters after Origination																										
Quarter of Origination	Original Principal Amount of Loans Originated in each Quarter (GBP)	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27
2015 Q3	7,418,933	0.00%	0.62%	0.62%	0.93%	1.46%	1.93%	2.24%	2.65%																			
2015 Q4	5,237,167	0.00%	0.00%	0.60%	0.95%	1.23%	1.47%	1.70%																				
2016 Q1	5,219,156	0.00%	0.00%	0.32%	0.96%	1.03%	1.33%																					
2016 Q2	5,023,583	0.20%	0.77%	1.08%	1.35%	1.35%																						
2016 Q3	4,544,718	0.00%	0.00%	0.96%	0.96%																							
2016 Q4	3,159,376	0.00%	0.00%	1.09%																								
2017 Q1	4,432,990	0.00%	0.00%																									
2017 Q2	3,988,304	0.00%																										





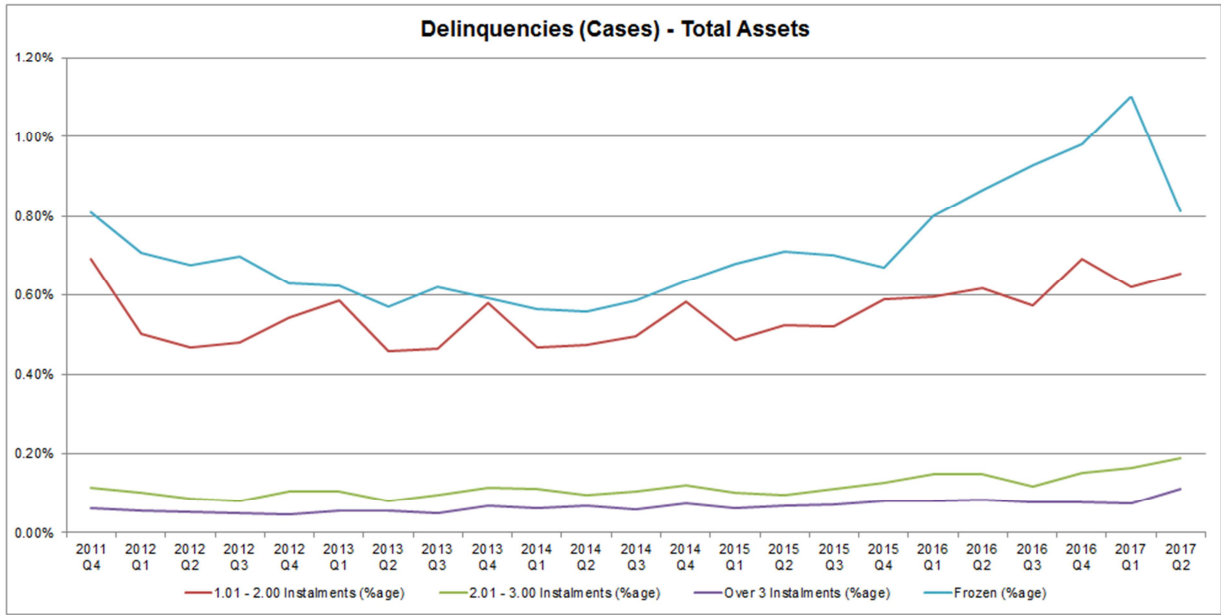
PCP Cars NEW section		Quarters after Origination													
Quarter of Origination	Original Principal Amount of Loans Originated in each Quarter (GBP)	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14
2014 Q1	294,077	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2014 Q2	488,925	0.00%	0.00%	0.00%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	2.52%	2.52%	
2014 Q3	1,094,916	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.72%	2.08%	2.08%		
2014 Q4	902,979	0.00%	0.00%	0.00%	0.00%	0.00%	0.70%	0.70%	0.70%	0.70%	0.70%	0.98%			
2015 Q1	1,337,561	0.00%	0.00%	0.00%	0.00%	0.00%	0.73%	3.08%	3.08%	3.90%	3.90%				
2015 Q2	1,607,255	0.00%	0.00%	1.36%	1.36%	1.36%	2.38%	2.38%	3.03%	3.03%					
2015 Q3	2,107,774	0.00%	0.00%	0.00%	0.00%	0.34%	0.34%	0.34%	0.34%						
2015 Q4	3,011,480	0.00%	0.00%	0.00%	0.24%	0.89%	0.89%	0.89%							
2016 Q1	7,363,731	0.00%	0.12%	0.12%	0.66%	0.81%	0.81%								
2016 Q2	8,988,856	0.00%	0.21%	0.21%	0.35%	0.35%									
2016 Q3	8,389,073	0.00%	0.02%	0.19%	0.40%										
2016 Q4	6,962,797	0.00%	0.00%	0.00%											
2017 Q1	4,172,613	0.00%	0.00%												
2017 Q2	2,412,104	0.00%													



## Dynamic Delinquencies (Total Value of Assets in Each Delinquency Status)

Source: MotoNovo Finance

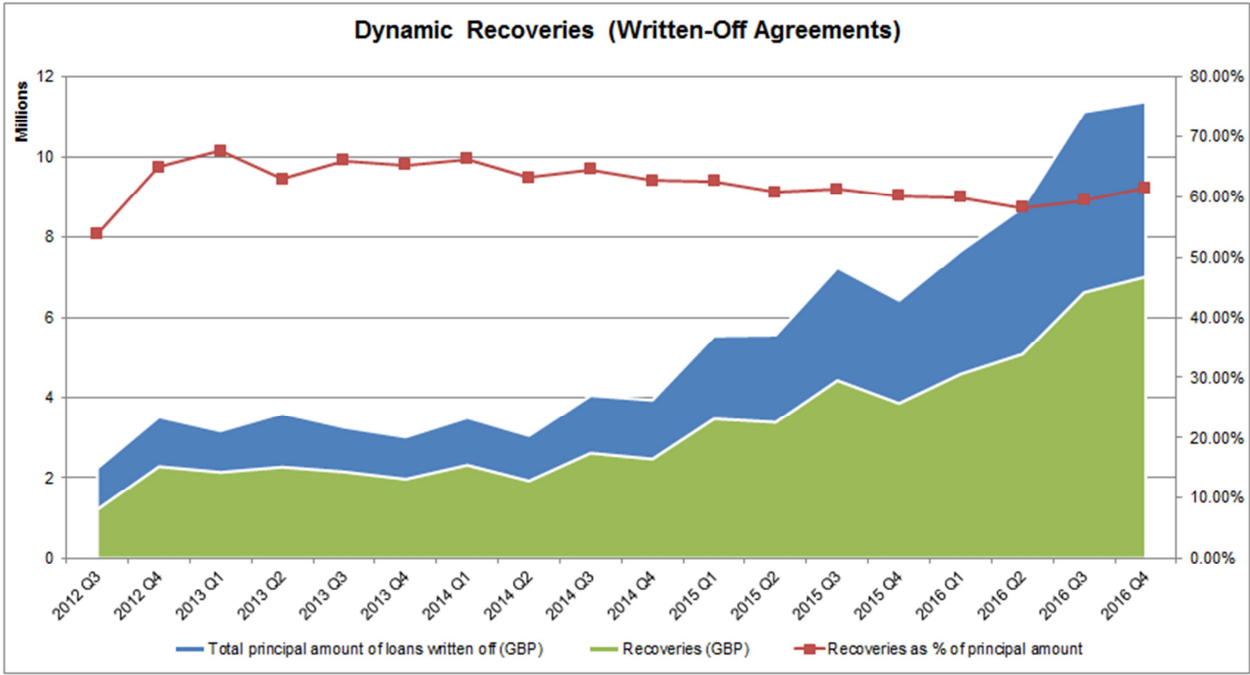
Total Assets		Delinquency Status						Delinquency Rate				
Date	Outstanding Principal Amount (#)	Current (#)	£20+ - 1.00 Instalments (#)	1.01 - 2.00 Instalments (#)	2.01 - 3.00 Instalments (#)	Over 3 Instalments (#)	Frozen (#)	£20+ - 1.00 Instalments (%age)	1.01 - 2.00 Instalments (%age)	2.01 - 3.00 Instalments (%age)	Over 3 Instalments (%age)	Frozen (%age)
2011 Q4	572,885,581	552,157,515	11,095,774	3,970,302	664,870	361,706	4,645,651	1.94%	0.69%	0.12%	0.06%	0.81%
2012 Q1	618,423,366	600,089,384	9,877,164	3,108,135	624,983	352,420	4,383,371	1.60%	0.50%	0.10%	0.06%	0.71%
2012 Q2	663,452,612	645,200,014	9,718,498	3,117,105	573,087	346,276	4,497,632	1.46%	0.47%	0.09%	0.05%	0.68%
2012 Q3	703,079,518	683,438,543	10,435,977	3,388,247	565,802	341,631	4,908,422	1.48%	0.48%	0.08%	0.05%	0.70%
2012 Q4	725,992,981	703,574,114	12,819,020	3,935,699	771,342	332,885	4,568,778	1.77%	0.54%	0.11%	0.05%	0.63%
2013 Q1	755,875,515	730,340,837	15,168,772	4,423,698	807,191	420,081	4,713,107	2.01%	0.59%	0.11%	0.06%	0.62%
2013 Q2	798,170,600	773,988,850	14,903,377	3,662,158	635,976	440,270	4,549,135	1.87%	0.46%	0.08%	0.06%	0.57%
2013 Q3	846,147,170	819,598,739	16,129,533	3,943,753	810,966	408,043	5,256,137	1.91%	0.47%	0.10%	0.05%	0.62%
2013 Q4	889,762,382	859,145,423	18,552,914	5,177,101	1,009,199	595,873	5,284,937	2.09%	0.58%	0.11%	0.07%	0.59%
2014 Q1	1,000,422,097	970,051,626	18,276,031	4,696,870	1,124,653	607,767	5,664,727	1.83%	0.47%	0.11%	0.06%	0.57%
2014 Q2	1,131,674,277	1,097,298,266	20,841,486	5,367,734	1,074,634	777,268	6,331,798	1.84%	0.47%	0.09%	0.07%	0.56%
2014 Q3	1,255,422,174	1,214,043,071	25,713,789	6,238,561	1,319,128	750,213	7,352,468	2.05%	0.50%	0.11%	0.06%	0.59%
2014 Q4	1,349,511,664	1,301,000,103	29,389,405	7,891,024	1,644,862	982,916	8,602,648	2.18%	0.58%	0.12%	0.07%	0.64%
2015 Q1	1,497,089,234	1,448,300,248	28,894,788	7,290,793	1,534,445	919,315	10,175,524	1.93%	0.49%	0.10%	0.06%	0.68%
2015 Q2	1,636,975,724	1,579,129,910	34,937,607	8,602,222	1,556,527	1,131,516	11,640,682	2.13%	0.53%	0.10%	0.07%	0.71%
2015 Q3	1,773,251,956	1,712,186,550	36,180,424	9,244,834	1,983,006	1,239,780	12,430,140	2.04%	0.52%	0.11%	0.07%	0.70%
2015 Q4	1,891,565,217	1,822,556,792	41,247,359	11,162,333	2,431,219	1,502,461	12,667,960	2.18%	0.59%	0.13%	0.08%	0.67%
2016 Q1	2,098,713,265	2,021,682,248	42,909,922	12,529,406	3,098,783	1,695,990	16,810,200	2.04%	0.60%	0.15%	0.08%	0.80%
2016 Q2	2,305,645,642	2,219,089,787	47,029,027	14,224,960	3,415,019	1,912,127	19,990,439	2.04%	0.62%	0.15%	0.08%	0.87%
2016 Q3	2,486,006,090	2,396,032,807	47,843,930	14,262,388	2,908,172	1,888,361	23,082,017	1.92%	0.57%	0.12%	0.08%	0.93%
2016 Q4	2,583,184,863	2,479,732,582	54,309,713	17,903,699	3,920,620	2,031,176	25,304,231	2.10%	0.69%	0.15%	0.08%	0.98%
2017 Q1	2,696,686,676	2,593,065,438	50,793,396	16,734,806	4,391,441	2,042,960	29,684,649	1.88%	0.62%	0.16%	0.08%	1.10%
2017 Q2	2,812,697,504	2,711,770,166	51,176,648	18,439,155	5,300,650	3,127,732	22,906,514	1.82%	0.66%	0.19%	0.11%	0.81%



## Dynamic Recoveries (Dynamic Written-Off Recovery Amounts per Quarter)

Source: MotoNovo Finance

Total Assets			
Quarter of Default	Total principal amount of loans written off (GBP)	Recoveries (GBP)	Recoveries as % of principal amount
2012 Q3	2,246,821	1,209,946	53.85%
2012 Q4	3,516,253	2,283,523	64.94%
2013 Q1	3,168,295	2,142,752	67.63%
2013 Q2	3,609,557	2,272,008	62.94%
2013 Q3	3,262,466	2,153,326	66.00%
2013 Q4	3,019,303	1,972,254	65.32%
2014 Q1	3,498,505	2,317,645	66.25%
2014 Q2	3,052,270	1,927,997	63.17%
2014 Q3	4,052,499	2,616,460	64.56%
2014 Q4	3,938,849	2,470,489	62.72%
2015 Q1	5,538,947	3,467,848	62.61%
2015 Q2	5,563,206	3,382,357	60.80%
2015 Q3	7,229,400	4,422,679	61.18%
2015 Q4	6,420,866	3,859,748	60.11%
2016 Q1	7,657,078	4,584,515	59.87%
2016 Q2	8,729,697	5,078,459	58.17%
2016 Q3	11,123,905	6,613,044	59.45%
2016 Q4	11,379,521	7,000,740	61.52%
2017 Q1	12,777,242	7,973,147	62.40%
2017 Q2	14,311,455	8,619,354	60.23%

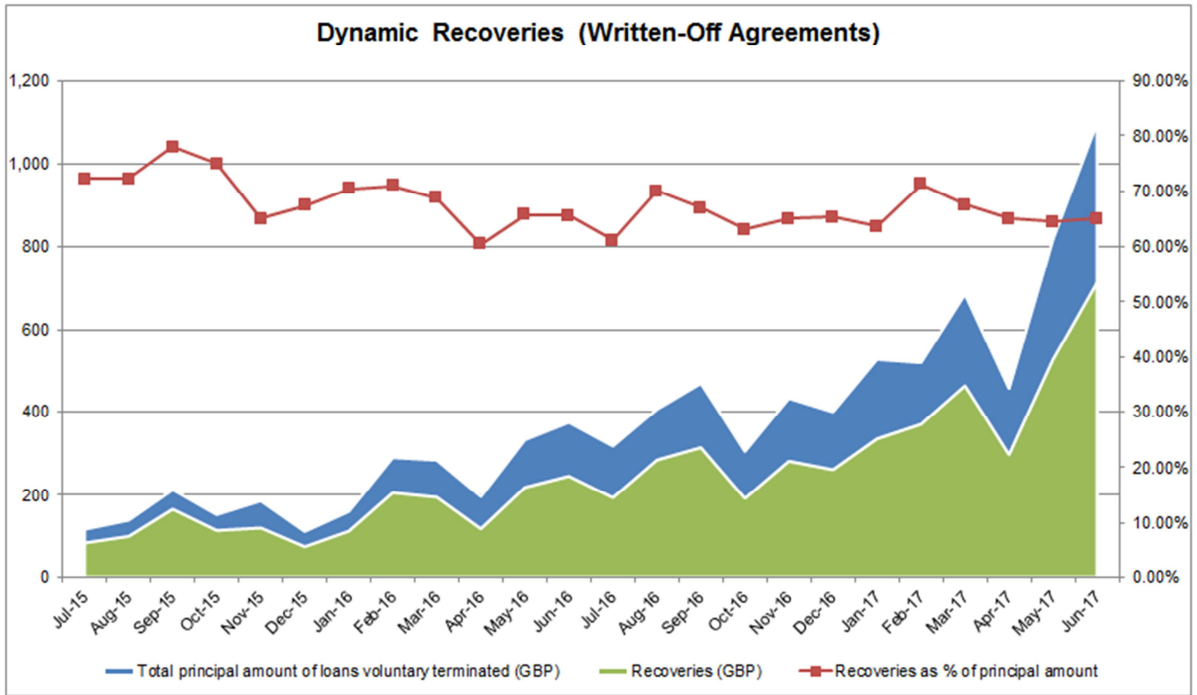


## Dynamic Voluntary Terminations (Dynamic Voluntary Termination Recovery Amounts per Quarter)

Source: MotoNovo Finance

Total Assets				
Quarter of Voluntary Termination	Cases	Total principal amount of loans voluntary terminated (GBP)	Recoveries (GBP)	Recoveries as % of principal amount
Jul-15	24	117,762	84,987	72.17%
Aug-15	26	139,828	100,872	72.14%
Sep-15	42	213,466	166,330	77.92%
Oct-15	34	153,319	114,971	74.99%
Nov-15	40	186,460	121,187	64.99%
Dec-15	26	112,726	75,943	67.37%
Jan-16	36	160,897	113,345	70.45%
Feb-16	66	290,630	206,294	70.98%
Mar-16	63	284,373	195,474	68.74%
Apr-16	46	197,027	119,083	60.44%
May-16	64	333,148	218,856	65.69%
Jun-16	92	374,591	245,698	65.59%
Jul-16	70	318,213	194,466	61.11%
Aug-16	72	406,235	284,504	70.03%
Sep-16	99	469,111	314,271	66.99%
Oct-16	69	305,136	192,606	63.12%
Nov-16	92	432,966	281,701	65.06%
Dec-16	86	400,151	261,348	65.31%
Jan-17	114	527,084	335,289	63.61%
Feb-17	109	519,434	370,076	71.25%
Mar-17	148	685,507	463,141	67.56%
Apr-17	90	456,950	297,402	65.08%
May-17	173	817,958	526,893	64.42%
Jun-17	209	1,096,495	713,209	65.04%

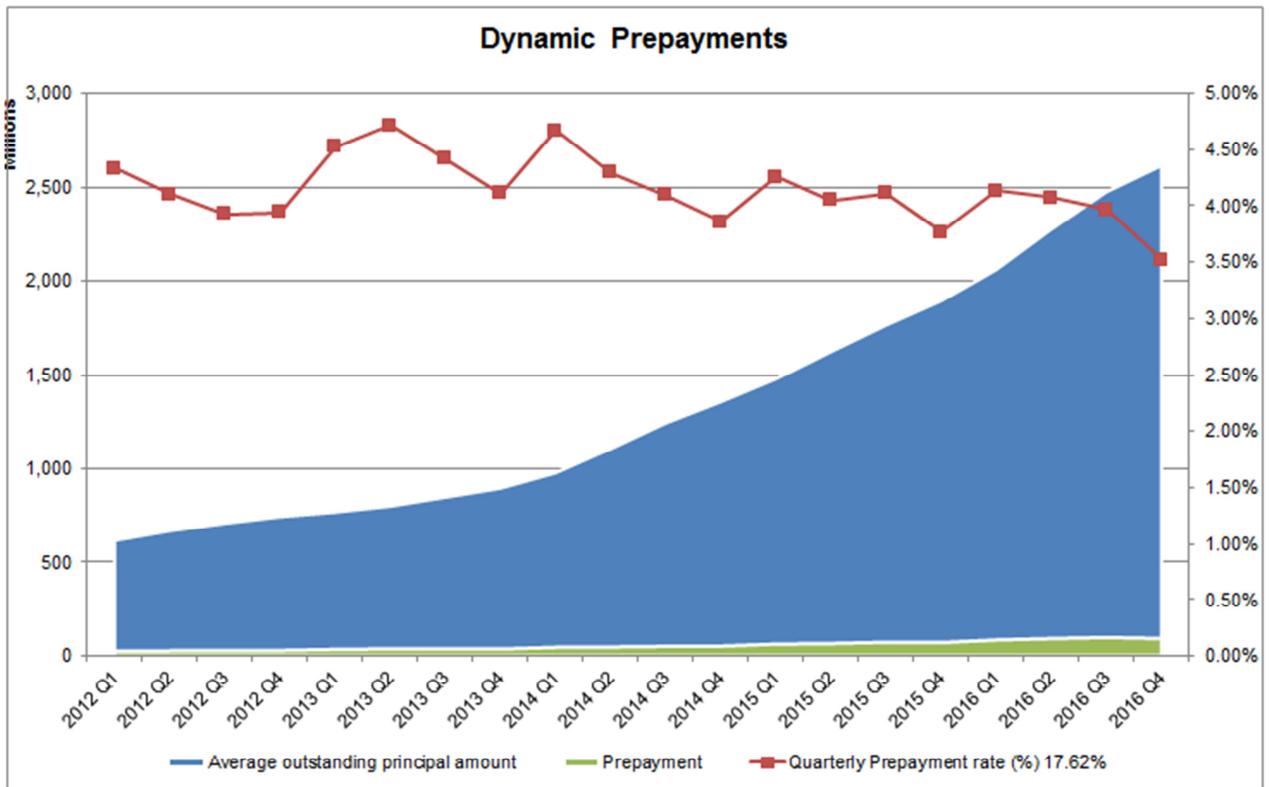




## Dynamic Prepayments (Dynamic Quarterly Early Settlement)

Source: MotoNovo Finance

Total Assets			
Date	Average outstanding principal amount	Prepayment	Quarterly Prepayment rate (%) 17.62%
2012 Q1	618,519,219	26,797,627	4.33%
2012 Q2	670,218,187	27,499,504	4.10%
2012 Q3	711,197,236	27,918,699	3.93%
2012 Q4	745,818,464	29,410,423	3.94%
2013 Q1	770,638,975	34,871,790	4.53%
2013 Q2	802,527,000	37,807,909	4.71%
2013 Q3	849,688,000	37,504,660	4.41%
2013 Q4	897,666,500	36,891,629	4.11%
2014 Q1	978,667,500	45,678,833	4.67%
2014 Q2	1,107,768,500	47,557,651	4.29%
2014 Q3	1,244,050,500	50,959,986	4.10%
2014 Q4	1,357,490,500	52,375,091	3.86%
2015 Q1	1,479,215,000	62,938,642	4.25%
2015 Q2	1,624,249,500	65,814,646	4.05%
2015 Q3	1,764,759,500	72,559,478	4.11%
2015 Q4	1,894,422,000	71,339,430	3.77%
2016 Q1	2,061,015,500	85,150,158	4.13%
2016 Q2	2,275,309,500	92,566,456	4.07%
2016 Q3	2,475,125,000	98,122,843	3.96%
2016 Q4	2,614,555,500	92,075,383	3.52%
2017 Q1	2,724,935,000	113,185,406	4.15%
2017 Q2	2,854,465,000	117,073,285	4.10%



## ESTIMATED WEIGHTED AVERAGE LIFE OF THE RATED NOTES

The estimated weighted average life of the Rated Notes refers to the average amount of time that will elapse (in the case of the Class A Notes and the Class B Notes on an actual/365 basis from the date of issuance of a Rated Note to the date of distribution of amounts to the holders of Rated Notes in reduction of principal of such Rated Note (assuming no losses) to zero. The weighted average life of the Rated Notes will be influenced by, amongst other things, the rate at which the Purchased Receivables are paid, which may be in the form of scheduled amortisation, prepayment or recovery upon default.

Calculations of possible average lives of each class of Notes can be made under certain assumptions.

Based on the assumptions that:

- a) the Portfolio is subject to a constant annual rate of Prepayment as set out under "CPR" (30/360);
- b) the Notes will be issued on 23 January 2018;
- c) payments on the Notes will be made on each Payment Date, commencing on the Payment Date falling on 20 February 2018;
- d) there are no Delinquent Receivables or Defaulted Receivables during the life of the transaction and the Receivables are always paid on the relevant due date;
- e) the Transaction terminates on exercise of the 10% Clean-Up Call;
- f) no Amortisation Event has occurred and the Revolving Period is assumed to end on (but include) the Payment Date falling in July 2019;
- g) no Voluntary Terminations occur in respect of the Purchased Receivables;
- h) no Purchased Receivables are repurchased by the Seller;
- i) during the Revolving Period, all principal Collections are used to purchase Additional Purchased Receivables;
- j) at the end of the Revolving Period, the Portfolio has the same characteristics as the Portfolio as of 31 December 2017;
- k) interest Collections are sufficient to meet all expenses under the Pre-Enforcement Order of Priority on each Payment Date;
- l) the Class A Notes equal 94.0% of the Provisional Pool and the Class B Notes equal 4.0% of the Provisional Pool; and
- m) the amortisation profile of the Purchased Receivables assuming a 0% CPR would be as follows:

Note: \* profile is of the assets, not the Notes and hence does not incorporate the expected 18 month revolving period, based on provisional pool as of 31 December 2017.

\*\*The Modified Following Business Day Convention has not been taken into account in calculating the estimated weighted average life of the Rated Notes.

Start Date	Outstanding Principal Balance (£)
Jan-18	539,988,854
Feb-18	531,344,706
Mar-18	522,629,336
Apr-18	513,842,110
May-18	504,982,387

<b>Start Date</b>	<b>Outstanding Principal Balance (£)</b>
Jun-18	496,021,109
Jul-18	486,985,166
Aug-18	477,844,170
Sep-18	468,634,022
Oct-18	459,233,631
Nov-18	449,674,938
Dec-18	439,960,192
Jan-19	430,322,030
Feb-19	420,515,169
Mar-19	410,703,868
Apr-19	400,879,830
May-19	390,849,755
Jun-19	380,882,854
Jul-19	370,894,311
Aug-19	360,768,583
Sep-19	350,591,016
Oct-19	339,824,182
Nov-19	328,394,549
Dec-19	316,895,002
Jan-20	306,234,330
Feb-20	295,363,879
Mar-20	284,102,076
Apr-20	272,904,895
May-20	262,176,491
Jun-20	251,729,023
Jul-20	241,344,914
Aug-20	230,860,164
Sep-20	220,443,138
Oct-20	207,398,370

<b>Start Date</b>	<b>Outstanding Principal Balance (£)</b>
Nov-20	191,515,034
Dec-20	175,480,471
Jan-21	162,133,422
Feb-21	148,234,018
Mar-21	133,693,093
Apr-21	119,941,769
May-21	109,922,203
Jun-21	101,848,053
Jul-21	93,955,901
Aug-21	86,155,185
Sep-21	78,574,980
Oct-21	71,427,357
Nov-21	64,744,760
Dec-21	58,473,500
Jan-22	52,614,693
Feb-22	46,760,840
Mar-22	40,872,766
Apr-22	34,953,943
May-22	28,999,958
Jun-22	23,025,750
Jul-22	17,179,620
Aug-22	11,626,097
Sep-22	6,877,134
Oct-22	3,347,466
Nov-22	1,051,952
Dec-22	0
Jan-23	0

The estimated average life of the Rated Notes at various assumed rates of Prepayment of the Purchased Receivables, would be as follows:

Note\*: figures are based on provisional pool as of 31 December 2017

CPR	Class A			Class B		
	Average Life (in years)	First expected principal payment	Expected maturity	Average Life (in years)	First expected principal payment	Expected maturity
0%	3.61	Aug-19	Jul-23	5.49	Jul-23	Jul-23
5%	3.44	Aug-19	May-23	5.32	May-23	May-23
10%	3.28	Aug-19	Mar-23	5.16	Mar-23	Mar-23
15%	3.14	Aug-19	Jan-23	4.99	Jan-23	Jan-23
20%	3.00	Aug-19	Nov-22	4.83	Nov-22	Nov-22
25%	2.88	Aug-19	Sep-22	4.66	Sep-22	Sep-22
30%	2.77	Aug-19	Aug-22	4.58	Aug-22	Aug-22

The estimated weighted average life of the Rated Notes cannot be predicted as the actual rate at which the Receivables will be repaid and a number of other relevant factors are unknown.

The estimated weighted average life of the Rated Notes is subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and the estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

## ESTIMATED AMORTISATION OF THE RATED NOTES

The amortisation scenario is based on the assumptions listed above under "*ESTIMATED WEIGHTED AVERAGE LIFE OF THE RATED NOTES*" and assuming a CPR of 20%. It should be noted that the actual amortisation of the Rated Notes may differ substantially from the amortisation scenario indicated below:

Expected cash flows assuming 20% CPR

\* Note: figures are based on provisional pool as of 31 December 2017.

<b>20% CPR PROFILE</b>		
<b>Month</b>	<b>Principal Amount Outstanding of the Class A Notes</b>	<b>Principal Amount Outstanding of the Class B Notes</b>
Jan-18	100.00%	100.00%
Feb-18	100.00%	100.00%
Mar-18	100.00%	100.00%
Apr-18	100.00%	100.00%
May-18	100.00%	100.00%
Jun-18	100.00%	100.00%
Jul-18	100.00%	100.00%
Aug-18	100.00%	100.00%
Sep-18	100.00%	100.00%
Oct-18	100.00%	100.00%
Nov-18	100.00%	100.00%
Dec-18	100.00%	100.00%
Jan-19	100.00%	100.00%
Feb-19	100.00%	100.00%
Mar-19	100.00%	100.00%
Apr-19	100.00%	100.00%
May-19	100.00%	100.00%
Jun-19	100.00%	100.00%
Jul-19	100.00%	100.00%
Aug-19	96.37%	100.00%
Sep-19	92.77%	100.00%



<b>20% CPR PROFILE</b>		
<b>Month</b>	<b>Principal Amount Outstanding of the Class A Notes</b>	<b>Principal Amount Outstanding of the Class B Notes</b>
Oct-19	89.26%	100.00%
Nov-19	85.83%	100.00%
Dec-19	82.48%	100.00%
Jan-20	79.20%	100.00%
Feb-20	76.00%	100.00%
Mar-20	72.87%	100.00%
Apr-20	69.79%	100.00%
May-20	66.78%	100.00%
Jun-20	63.83%	100.00%
Jul-20	60.97%	100.00%
Aug-20	58.16%	100.00%
Sep-20	55.44%	100.00%
Oct-20	52.79%	100.00%
Nov-20	50.19%	100.00%
Dec-20	47.67%	100.00%
Jan-21	45.22%	100.00%
Feb-21	42.82%	100.00%
Mar-21	40.49%	100.00%
Apr-21	38.15%	100.00%
May-21	35.79%	100.00%
Jun-21	33.49%	100.00%
Jul-21	31.37%	100.00%
Aug-21	29.31%	100.00%
Sep-21	27.27%	100.00%
Oct-21	25.30%	100.00%
Nov-21	23.44%	100.00%
Dec-21	21.67%	100.00%

<b>20% CPR PROFILE</b>		
<b>Month</b>	<b>Principal Amount Outstanding of the Class A Notes</b>	<b>Principal Amount Outstanding of the Class B Notes</b>
Jan-22	19.97%	100.00%
Feb-22	18.31%	100.00%
Mar-22	16.70%	100.00%
Apr-22	14.87%	100.00%
May-22	12.80%	100.00%
Jun-22	10.78%	100.00%
Jul-22	9.10%	100.00%
Aug-22	7.43%	100.00%
Sep-22	5.74%	100.00%
Oct-22	4.19%	100.00%
Nov-22	0.00%	0.00%

## THE SELLER AND SERVICER

### OVERVIEW

FirstRand Bank Limited ("**FRB**" or the "**Bank**") is a wholly owned subsidiary of FirstRand Limited ("**FirstRand**", or the "**Group**"). The Bank provides a comprehensive range of retail, commercial, corporate and investment banking services in South Africa, and offers niche products in certain international markets.

The Bank operates through three major divisions (referred to as "operating franchises") which are separately branded, comprising First National Bank ("**FNB**"), the retail and commercial bank, Rand Merchant Bank ("**RMB**"), the corporate and investment bank and WesBank, the instalment finance business. Some of the activities of these operating franchises are undertaken outside of the Bank in other wholly-owned subsidiaries of the Group, namely, FirstRand EMA Holdings Limited ("**FREMA**"), FirstRand Investment Holdings (Pty) Ltd ("**FRIHL**"), FirstRand Investment Management Holdings Limited and FirstRand Insurance Holdings (Pty) Ltd. References to the Group are to FirstRand Limited and its subsidiaries (including the Bank and its operating franchises).

As at 30 June 2017, the Bank had total assets of R1,082.2 billion (equivalent to U.S.\$82.6 billion at a U.S.\$/R exchange rate of 13.1), compared to R1,031.6 billion (equivalent to U.S.\$ 70.4 billion at a U.S.\$/R exchange rate of 14.66) as at 30 June 2016.

### The FirstRand Limited Group

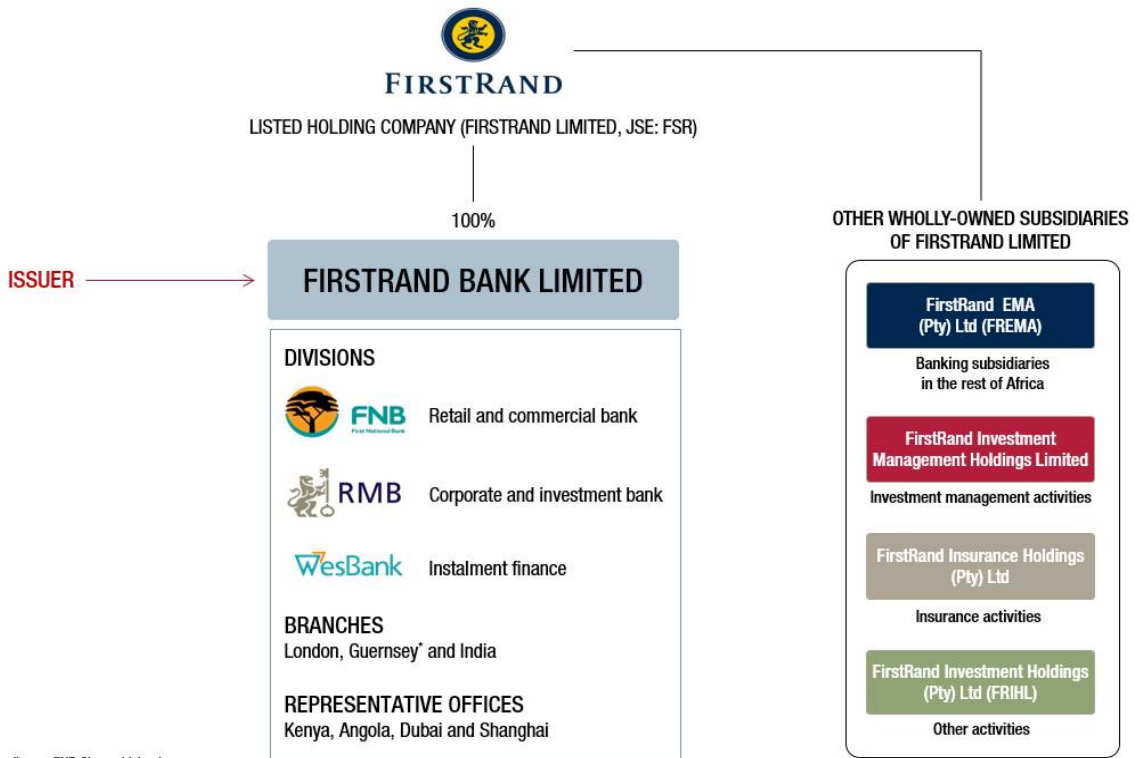
FirstRand Limited is a bank controlling company for the purposes of the South African Banks Act 1990. Listed on the Johannesburg Stock Exchange ("**JSE**") and the Namibian Stock Exchange (the "**NSE**"), FirstRand is one of the largest financial institutions in South Africa, with a market capitalisation of R262.5 billion (equivalent to U.S.\$ 20.2 billion at a U.S.\$/R exchange rate of 13.1) as at 30 June 2017.

The Group's portfolio of operating franchises provides a universal set of transactional, lending, investment and insurance products and services. The Group executes its strategy through its subsidiaries and divisions (including the Bank). The Bank performs the banking activities of the Group within South Africa and is the most significant contributor to the Group's revenues and profits. In addition to its operations in South Africa, the Bank operates through branches in London (including MotoNovo Finance which is a business segment of the London Branch), Guernsey (trading as FNB Channel Islands) and India and has representative offices in Kenya, Angola, Dubai and Shanghai.

The Group also has full service banking subsidiaries in Namibia, Botswana, Swaziland, Lesotho, Zambia, Mozambique, Tanzania and Ghana, and a corporate and investment banking subsidiary in Nigeria. These banking subsidiaries outside of South Africa form part of FREMA and therefore do not form part of the operations of the Bank and their financial performance is not consolidated with the financial performance of the Bank for the purposes of the Bank's financial statements.

The Bank holds a full banking licence granted by the SARB and is authorised as a financial services provider in South Africa by the Registrar of Financial Services Providers. The Bank is also an authorised dealer in foreign exchange in terms of the Exchange Control Regulations. It is a Central Securities Depository Participant in STRATE Limited and is a member of the JSE. Through FirstRand Securities (a wholly-owned subsidiary of FRIHL (as defined below)), the Group is member of the interest-rate derivatives clearing service, SwapClear, one of the clearing platforms provided by multi-national clearing house LCH.

The chart below sets out the position of the Bank and its operating franchises relative to FirstRand Limited.



\* Trading as FNB Channel Islands.

## **HISTORY**

The Bank was incorporated and registered in South Africa on 11 January 1929 under registration number 1929/001225/06 and is a public company with limited liability duly registered under the company laws of South Africa. The Bank's headquarters and registered address are located at 4 Merchant Place, Corner of Fredman Drive and Rivonia Road, Sandton 2196, South Africa (telephone number: +27 11 282-1808; fax number: +27 11 282-8088).

## **STRATEGIC OBJECTIVES**

The Group's portfolio of operating franchises provides a universal set of transactional, lending, investment and insurance products and services. The franchises operate in markets and segments where they can deliver competitive and differentiated client-centric value propositions, leveraging the relevant distribution channels, product skills, licences and operating platforms of the wider group. Strategy is executed on the back of disruptive and innovative thinking underpinned by disciplined allocation of financial resources.

The Group's Strategic Executive Committee comprising the FirstRand Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer, Group Treasurer, Head of Group Human Capital and Sustainability and the franchise CEOs, determine strategy and is accountable for overall performance.

The Group executes its strategy through appropriate platforms (legal entities) of which the Bank is one. The Bank is currently the most significant contributor to the Group's revenues and profits (constituting 80 per cent. of its total gross revenues (net interest income before impairment of advances, non-interest income and share of profits of associates and joint ventures) as at 30 June 2017). It is also a key enabler for the Group's current growth and diversification strategies and the Bank's strategy is therefore aligned to the overall Group strategy. The Bank's origination capabilities and distribution networks are also facilitating a broader diversification strategy for the Group as it looks to capture a larger share of profits from savings, insurance and investment products within its existing customer base. The Group continues to execute on its strategic framework and the customer-facing operating franchises are increasingly leveraging the portfolio's technology platforms, customer bases, distribution channels, licences and skills.

The Group believes that leveraging Group-wide resources is key to protecting and growing the Bank's large and successful lending and transactional franchises.

## **BUSINESS OF THE BANK**

Aligned to the overall strategic framework described above, the separate operating franchises execute growth strategies appropriate to their segments and customer bases. Below is a description of the strategies and operations of each franchise in its domestic markets.

### **FNB**

FNB represents the Bank's activities in the retail and commercial segments in South Africa. FNB is growing its franchise on the back of a compelling customer offering that provides a broad range of innovative financial services products.

FNB's strategy is to:

- grow and retain core transactional accounts;
- provide digital platforms to deliver cost effective and innovative transactional propositions to its customers;
- use its deep customer relationships and sophisticated data analytics to effectively cross-sell and up-sell a broad range of financial services products;
- apply disciplined origination strategies;
- provide innovative savings products to grow its retail deposit franchise; and
- right-size its physical infrastructure to achieve efficiencies.

## **RMB**

RMB is the Bank's activities in the corporate and investment banking segments in South Africa, the broader African continent and India. RMB's portfolio spans investment banking, markets and structuring and corporate transactional banking activities. RMB services corporate, institutional and public sector clients across all industries. RMB's private equity and principal investing businesses are activities of FRIHL and do not therefore form part of the operations of the Bank. Certain of RMB's activities in the rest of Africa are booked on the in-country subsidiary's balance sheet and, as these are subsidiaries of FREMA, these activities do not form part of the operations of the Bank. Certain cross-border lending and trade finance activities do, however, utilise the Bank's balance sheet.

RMB seeks to leverage its market leading origination franchise to deliver an integrated corporate and investment banking value proposition to corporate and institutional clients. This, combined with an expanding market-making and distribution product offering, contributes to a well-diversified and sustainable earnings base. The strategy is underpinned by sound risk management, designed to effectively balance the relationship between profit growth, returns and earnings volatility.

## **WESBANK**

WesBank represents the Bank's activities in instalment credit and related services in the retail, commercial and corporate segments of South Africa and through MotoNovo Finance in the UK.

WesBank provides a range of lending solutions across direct and indirect channels which are both innovative and efficient. It has successfully executed on a long-term, consistent strategy to diversify and grow, operating in jurisdictions where it can deliver a differentiated value proposition and establish a strong competitive advantage. In both South Africa and the UK, WesBank continues to build on its market leading position by protecting and growing its long-standing alliances with leading motor manufacturers, suppliers and dealer groups.

## **FIRSTRAND CORPORATE CENTRE ("FCC")**

FCC provides key Group-wide functions, including Group Treasury (capital, funding, liquidity and financial resource management), Group Finance, Group Tax, Enterprise Risk Management ("**ERM**"), Regulatory Risk Management ("**RRM**") and Group Internal Audit.

The Group's financial resource management process is executed through Group Treasury and is independent of the operating franchises. This facilitates the appropriate allocation of financial resources and pricing of these resources. This also ensures that Group Treasury's mandate is aligned with the operating franchises' growth, return and volatility targets, to deliver shareholder value. Group Treasury retains responsibility for capital planning and advises the Board, as well as the Strategic executive committee, on potential capital actions, dividend strategy and other capital management related topics.

The ERM function provides central independent oversight and risk control as part of the risk governance structure.

The RRM function ensures that business practices, policies, frameworks and approaches across the organisation are consistent with applicable laws.

Group Internal Audit provides independent assurance of the adequacy and effectiveness of risk management practices.

The Bank's ratings as at 22 January 2018 are shown in the table below.

	<b>SOUTH AFRICA SOVEREIGN RATINGS</b>	<b>FIRSTRAND BANK LIMITED CREDIT RATINGS</b>		
	<b>FOREIGN CURRENCY</b>	<b>LOCAL AND FOREIGN CURRENCY</b>		
	<b>Long term/ outlook</b>	<b>Long term/ outlook</b>	<b>National scale</b>	<b>Standalone credit rating**</b>
S&P Global	BB/Stable	BB/Stable	zaAA-	bbb-
Moody's	Baa3/Negative	Baa3/Negative	Aaa.za <sup>1</sup>	baa3

FirstRand Bank Limited operates in the United Kingdom through its London Branch (FRB London) and was registered with Companies House as 'an overseas company' on 18 June 2008 under reference FC028417 (branch – BR010027). The establishment of the branch was approved by SARB on 15 August 2008 and authorised by the Financial Services Authority on 17 September 2008. FirstRand Bank Limited is regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

FirstRand Bank Limited has approved the proposed transaction described in this Prospectus by way of a resolution of the board of directors dated 15 November 2017.

## **BUSINESS PROCEDURES OF FIRSTRAND BANK LIMITED ACTING THROUGH ITS LONDON BRANCH**

Under the Servicing Agreement, the Receivables are to be administered together with all other receivables from HP Contracts and PCP Contracts of FRB London according to FRB London's normal business procedures as they exist from time to time. The Obligor will not be notified of the fact that the Receivables from their Financing Contracts have been assigned to the Issuer, except upon the occurrence of a Notification Event. The Receivables will be administered by FRB London under the trade name MotoNovo Finance. Prior to 14 February 2012, MotoNovo Finance traded under the name of "Carlyle Finance".

The normal business procedures of FRB London currently include the following:

### **Submission of the Financing Contract and Underwriting of the Prospective Obligor**

All new business proposals from supporting dealers and accompanying support documentation are submitted to the New Business Centre either via fax, email or electronically by the dealer. Proposals are only passed for underwriting with all the required information. Proposals are input onto Carport and queued for underwriting. It is a policy to grant credit to applicants in accordance with the FRB London / MotoNovo Finance Credit Risk Policy after first taking all reasonable steps to ascertain their creditworthiness and apparent ability to service the agreement. FRB London / MotoNovo Finance ensure that all business is originated and maintained in a compliant manner.

Currently, approximately 74% of business is underwritten automatically using an electronic scorecard. The electronic scorecard scrutinises information derived from credit reference agencies as well as customer supplied profile data. Dual credit and customer characteristics are mapped to a demographic scorecard engineered from the proposal details and using actual payment performance on a robust and suitably mature sample size that had been subject to a retrospective exercise via Equifax. The resulting score provides an assessment with respect to the risk of granting a financing contract to the respective applicant. The scoring process (in particular the weight or the value of the individual scoring criteria and the scoring result) is treated as strictly confidential. The performance of the scoring system is monitored regularly by the MotoNovo Finance credit department, with oversight from WesBank, the motor finance division of First Rand Bank Ltd in South Africa with any changes to the scoring system based on the results of regular statistical analysis.

The remaining 26% is subject to manual underwriting by a team of dedicated underwriters. Underwriters have a high level of experience in underwriting with each personally mandated a transaction limit up to which she/he may underwrite a given loan. The underwriter will review the proposal and underwrite in accordance with their mandate, recording their rationale for the decision on the agreement notes. If the proposal is outside their mandate, the underwriter will record their recommendation on the agreement notes and pass on to a higher-mandated underwriter.

The underwriting decision is communicated to the dealer and the proposal re-routed to the appropriate work queue. Automated decisions are typically relayed to the dealer within 2 to 3 minutes with electronically submitted referred proposals turned around in 15 minutes and faxed proposals in around 25 minutes. Upon acceptance, an automatically generated "acceptance letter" and the documents are sent to the dealer. The dealer/customer accepts and signs the agreement which is resubmitted along with supporting documents and captured electronically. By signing the application the customer signifies their acceptance of the finance conditions. FRB London / MotoNovo Finance introduced an electronic e-signature solution in July 2013, and circa 57% of deals are signed off this way.

The Obligor pays a contractually specified monthly instalment on a stipulated payment date, with the number of payments corresponding with the number of months covered by the financing period. The Obligor may opt for a "pause month", which provides a one month payment holiday at the inception of the agreement. The Obligor may also opt for a larger final instalment due at the end of the Financing Contract term subject to acceptance by a sufficiently mandated underwriter. The standard payment method is direct debit with the customer choice of debit date, with the standard being the agreement live date. In exceptional circumstances, customers may switch to other forms of payments such as cash, cheque, debit card, internet transfer etc., although this is actively discouraged.

While the Receivable is performing there is minimal customer interaction with the exception of changes to banking details, contact details, address, etc. Annual automated statements are provided to clients as required by the CCA.



## **Residual value risk (PCP Contracts)**

To mitigate risk in PCP Contracts, the Seller takes a conservative approach to determining the Minimum Guaranteed Future Value and the Final Payment Amount based on certain contractual mileage assumptions using a pre-determined percentage of the CAP Gold Book predicted trade valuation, currently 85%. Any customers taking advantage of the right to return the vehicle will be charged for any excess mileage above the contracted rate and any excessive wear and tear.

FRB London / MotoNovo Finance monitor the residual value exposure of each vehicle in respect of PCP Contracts on a regular basis.

## **Collections**

Collections are handled by a dedicated collections team based in Cardiff supported by outsourced arrangements with Bluestone Credit Management ("**BCM**"), Credit Style, Anglia UK and DWF. The Collections team focus on those accounts 1 to 4 payments in arrears with the later stages of delinquency handled by BCM, Credit Style or DWF. MotoNovo Finance has implemented a traffic light system in order to highlight and manage the arrears process efficiently with a full monthly instalment or £500 minimum arrears amount before referring an agreement to the Green team for manual intervention.

### *Green Team*

FRB London / MotoNovo Finance receives direct debits on the specified due date and by way of direct contact with the Obligor's bank. In cases where a payment is missed or the Obligor's bank does not render payment of the direct debit amount, a text message is sent automatically to the Obligor informing them of the missed payment. Normally 7 days after the due date of payment first reminder letters are sent. In addition to issuing written reminder notices to such Obligors, collection operations are also executed via an internal telephone dialler campaign.

If the account remains delinquent for 8 days, the case is handed to the Collections Green Team for manual dialling with calls placed at a minimum weekly and at a maximum daily. In the event that payment continues to remain outstanding, an escalation letter and a Notice of Default is generally issued to the Obligor as at the 24<sup>th</sup> day.

### *Amber Team*

After one calendar month, the second payment becomes due. Where the second payment is potentially missed, the Collections team intensifies telephone contact and sends final letters. After an account is 42 days past due, the agreement is automatically terminated. If the matter remains unresolved then a decision is made on how the case should be progressed. Typically, if under a third of the finance has been repaid it is passed to field agents to collect the full arrears or recover the vehicle. If, however, over a third of the finance has been repaid, the agreement is passed to BCM, Credit Style, Anglia UK or DWF for activity specified below:

- Intensive telephone activity;
- If no contact is made, an unscheduled visit is initiated, the average turnaround for completed visits is of less than 45 days from date of instruction);
- If resolved in field, positive outcomes are either:
  - full settlement;
  - full arrears;
  - voluntary surrender negotiated; or
  - payment arrangement negotiated;
- If no successful resolution forthcoming, the case is either:
  - progressed for legal action to recover the vehicle (it usually takes approximately 90 calendar days to obtain a court order); or
  - deemed as uneconomical to pursue for legal action where CAP Average is less than £1500.

## *Red Team*

The Red Team is responsible for cases which have been passed to third party agents, managing those relationships and ensuring that updates on each case are received on a regular basis. If an agent returns a case as a negative, or if it is deemed that their response is not within acceptable service standards, then they will cancel the first agent and instruct a second phase agent. They will also work by telephone and letter on those cases which are 60/90/120 days past due, and the balances are too small to consider field or legal action, are responsible for insurance claims (motor insurance, payment protection and GAP claims), and for managing the collection and sale of our repossessions and voluntary repossessions.

### **Recovery Procedure**

A combination of recovery agents are utilised to ensure that geographically, national coverage is achieved throughout the UK mainland. Agencies go through a rigorous selection process in terms of compliance and commerciality and are subsequently audited on a regular basis. Through strict service level agreements FRB London / MotoNovo Finance ensures that agents are incentivised to recover vehicles in a timely manner, whereby remuneration is based on a sliding pay scale if vehicles are recovered in 7, 14 or 21 days.

In terms of vehicle disposals, the majority of vehicles are sold through Manheim and Aston Barclay auctions.

### **Written Off Receivables**

Written off receivables are receivables in respect of which the terms of the agreement have not been fulfilled by the relevant Obligor and the asset has typically been recovered and sold or is of no value to FRB London and any balance due from the Obligor is passed to a debt collection agency to collect.

Vehicles returned pursuant to a PCP Contract in lieu of final payment

Vehicles returned under PCP Contracts are sold through auction. Customers are charged for any excess mileage or excessive wear and tear.

### **HP+ Unsecured Loans**

Certain of the Financing Contracts are entered into with Obligors together with HP+ Unsecured Loans. The HP Contract and any related HP+ Unsecured Loan are identified as separate loans on FRB London's systems. For convenience, and for so long as FRB London is the Servicer, for the purpose of the direct debit instruction for payment by the Obligor, the amounts due under the HP Contract and any related HP+ Unsecured Loan are combined into one single composite figure sent to the Obligor's bank for payment.

### **Policies and Procedures**

The Seller has internal policies and procedures in relation to the granting of credit, administration of credit-risk bearing portfolios and risk mitigation. The policies and procedures of the Seller in this regard include the following:

- criteria for the granting of credit and the process for approving, amending, renewing and re-financing credits, as to which please see the information set out earlier in this section of this Prospectus;
- systems in place to administer and monitor the various credit-risk bearing portfolios and exposures, as to which we note that the Portfolio will be serviced in line with the usual servicing procedures of the Seller – please see further the section of this Prospectus headed "*Summary of the Principal Transaction Documents – Servicing Agreement*";
- adequate diversification of credit portfolios given the Seller's target market and overall credit strategy, as to which, in relation to the Portfolio, please see the section of this Prospectus headed "*The Provisional Receivables Pool*"; and
- policies and procedures in relation to risk mitigation techniques, as to which please see the information set out earlier in this section of this Prospectus.

**Auditors**

PricewaterhouseCoopers LLP, One Kingsway, Cardiff, CF10 3PW audits the financial information of FRB London for the purpose of their inclusion within the financial statements of FirstRand Bank Limited. FirstRand Bank Limited is audited jointly by PricewaterhouseCoopers Inc and Deloitte & Touche.

## THE ISSUER

### General

The Issuer was established as a special purpose vehicle and incorporated and registered in England and Wales (registered number 11077816) under the Companies Act 2006 with limited liability as a public limited company on 22 November 2017.

### Registered Office

The Issuer's registered office is at 11th Floor, 200 Aldersgate Street, London, EC1A 4HD. The telephone number of the Issuer is +44 (0)207 466 1600.

### Principal Activities

There are no restrictions on the objects of the Issuer in its Articles of Association and the Issuer is therefore permitted, amongst other things, to borrow money and grant security over its property for the performance of its obligations.

The Issuer was established to issue the Notes, to purchase the Receivables, to enter into the Transaction Documents and to carry out any and all other activities related to the transactions described in this Prospectus.

The Issuer has no subsidiaries or employees.

Since its incorporation, the Issuer has not carried on any business or activities other than those incidental to its incorporation, the authorisation and issue of the Notes and the purchase of the Receivables and activities incidental to the exercise of its rights and compliance with its obligations under the Transaction Documents (including registration under the Data Protection Act 1998) and any other documents entered into in connection with the issue of the Notes.

Since its date of incorporation, the Issuer has not commenced operations and no financial statements of the Issuer have been prepared as at the date of this Prospectus.

### Management

The directors of the Issuer and, where applicable, their respective business addresses and principal activities are:

Name	Business Address	Principal Activity
MaplesFS UK Corporate Director No.1 Limited  (a company incorporated in England and Wales, registered number 10722404)	11th Floor, 200 Aldersgate Street, London, EC1A 4HD	Provision of directors and corporate management services to structured finance transactions
MaplesFS UK Corporate Director No.2 Limited  (a company incorporated in England and Wales, registered number 10721233)	11th Floor, 200 Aldersgate Street, London, EC1A 4HD	Provision of directors and corporate management services to structured finance transactions
Jennifer Lynn Jones	11th Floor, 200 Aldersgate Street, London, EC1A 4HD	Director

The directors of the Issuer may engage in other activities and have other interests which may conflict with the interests of the Issuer. As a matter of English law, each director is under a duty to act honestly and in good faith with a view to the best interests of the Issuer, regardless of any other directorships they may hold.

The directors of the Issuer have the requisite experience for the management of its business. Pursuant to the terms of the Corporate Services Agreement, the Corporate Services Provider will provide directors and certain other corporate and administration services to the Issuer in consideration for the payment by the Issuer of an annual fee to the Corporate Services Provider.

The secretary of the Issuer is Maples Fiduciary Services (UK) Limited, a company incorporated in England and Wales with the registered number 9422850 and having its registered office is at 11th Floor, 200 Aldersgate Street, London, EC1A 4HD.

### Capital and Shares

Pursuant to a Declaration of Trust dated 11 December 2017, MaplesFS UK Group Services Limited (in such capacity, the "**Share Trustee**"), a company incorporated in England and Wales and having its registered office at 11th Floor, 200 Aldersgate Street, London, EC1A 4HD, holds 50,000 shares of the Issuer under the terms of a discretionary trust, the benefit of which is expressed to be for charitable purposes.

The Share Trustee will have no beneficial interest in and derive no benefit (other than fees) for acting as Share Trustee from its holding of shares in the Issuer.

### Capitalisation

The following table sets out the capitalisation of the Issuer as at the date hereof:

<b>Share Capital</b>	Pounds Sterling
<b>Issued:</b>	
50,000 ordinary shares of £1.00 each, (all such shares other than one being a quarter paid up)	12,500.75
<b>Loan Capital:</b>	
Notes	543,780,000.00
<b>Total capitalisation:</b>	<b>543,792,500.75</b>

As at the date hereof, save as disclosed above, the Issuer has no loan capital outstanding or authorised but unissued shares, no term loans outstanding and no other borrowings or indebtedness in the nature of the borrowing nor any contingent liabilities or guarantees. The current financial period of the Issuer will end on 30 June 2018.

### Auditors

The independent auditor of the Issuer is PricewaterhouseCoopers LLP, chartered accountants and registered auditors in the United Kingdom, whose office is located at One Kingsway, Cardiff, CF10 3PW.

### Tax

It is considered that the Issuer will qualify as a "securitisation company" for the purposes of the United Kingdom Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (the "**Regulations**") with effect from the Closing Date and will be subject to United Kingdom corporation tax on its retained profit in accordance with the Regulations. The amount of such profit is expected to be £750 per annum.

## SWAP COUNTERPARTY

*This description of the Swap Counterparty does not purport to be a summary of, and is therefore subject to, and qualified in its entirety by reference to, the detailed provisions of the Swap Agreement, the Interest Rate Swap Agreement and the other Transaction Documents.*

HSBC Bank plc and its subsidiaries form a UK-based group providing a broad range of banking products and services.

HSBC Bank plc (formerly Midland Bank plc) was formed in England in 1836 and subsequently incorporated as a limited company in 1880. In 1923, the company adopted the name Midland Bank Limited, which it held until 1982 when it re-registered and changed its name to Midland Bank plc. In 1992, Midland Bank plc became a wholly owned subsidiary undertaking of HSBC Holdings plc, whose Group Head Office is at 8 Canada Square, London E14 5HQ. HSBC Bank plc adopted its current name, changing from Midland Bank plc, in 1999.

The HSBC Group is one of the world's largest banking and financial services organisations, with around 3,900 offices in 67 countries and territories in Europe, Asia, Middle East and North Africa, North America and Latin America. The HSBC Group's total assets at 30 September 2017 were US\$2,526 billion. HSBC Bank plc is the HSBC Group's principal operating subsidiary undertaking in Europe.

The short term senior unsecured and unguaranteed obligations of HSBC Bank plc are, as at the date of this Prospectus, rated P-1 by Moody's and A-1+ by Standard & Poor's and HSBC Bank plc has a short-term issuer default rating of F1+ from Fitch. The long-term senior unsecured and unguaranteed obligations of HSBC Bank plc are rated Aa3 by Moody's and AA- by Standard & Poor's and HSBC Bank plc has a long-term issuer default rating of AA- from Fitch.

HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. HSBC Bank plc's principal place of business in the United Kingdom is 8 Canada Square, London E14 5HQ.

## ACCOUNT BANK

*This description of the Account Bank does not purport to be a summary of, and is therefore subject to, and qualified in its entirety by reference to, the detailed provisions of the Account Agreement and the other Transaction Documents.*

HSBC Bank plc and its subsidiaries form a UK based group providing a broad range of banking products and services.

HSBC Bank plc (formerly Midland Bank plc) was formed in England in 1836 and subsequently incorporated as a limited company in 1880. In 1923, the company adopted the name Midland Bank Limited, which it held until 1982 when it re-registered and changed its name to Midland Bank plc. In 1992, Midland Bank plc became a wholly owned subsidiary undertaking of HSBC Holdings plc (together with its subsidiary undertakings from time to time, "**HSBC Group**"), whose head office is at 8 Canada Square, London E14 5HQ. HSBC Bank plc adopted its current name, changing from Midland Bank plc, in 1999.

The HSBC Group is one of the world's largest banking and financial services organisations, with around 3,900 offices in 67 countries and territories in Europe, Asia, Middle East and North Africa, North America and Latin America. The HSBC Group's total assets at 30 September 2017 were U.S.\$2,526 billion. HSBC Bank plc is the HSBC Group's principal operating subsidiary undertaking in Europe.

The short term senior unsecured and unguaranteed obligations of HSBC Bank plc are, as at the date of this Prospectus, rated P-1 by Moody's and A-1+ by Standard & Poor's and HSBC Bank plc has a short term issuer default rating of F1+ from Fitch. The long term senior unsecured and unguaranteed obligations of HSBC Bank plc are rated Aa3 by Moody's and AA- by Standard & Poor's and HSBC Bank plc has a long term issuer default rating of AA- from Fitch.

HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. HSBC Bank plc's principal place of business in the United Kingdom is 8 Canada Square, London E14 5HQ.

## BACK-UP SERVICER

*This description of the Back-up Servicer does not purport to be a summary of, and is therefore subject to, and qualified in its entirety by reference to, the detailed provisions of the Back-up Servicing Agreement and the other Transaction Documents*

Equiniti Gateway Limited, trading as Equiniti Credit Services ("**EQCS**") (regulated by the Financial Conduct Authority) has been appointed as the Back-up Servicer pursuant to the Back-up Servicing Agreement and pursuant to which EQCS is responsible for the provision of certain administration services.

EQCS builds innovative solutions that are transforming the credit industry offering a complete outsourced credit management solution, combining award winning proprietary technologies, specialist personnel, FCA compliant processes and industry best practice.

EQCS is part of Equiniti Group plc ("**Equiniti Group**") which demerged from Lloyds in 2007 and floated on the London Stock Exchange in October 2015. The Equiniti Group has recently been inducted into the FTSE 250 with a market cap of £1 billion.

The Equiniti Group is a specialist outsourcer delivering technology-enabled solutions to large enterprises. It processes £90 billion in payments every year, handles 88 million documents and pays 20% of pensioners in the UK. The Equiniti Group is acknowledged as a leader in many of the markets in which it operates and keeps things running smoothly for some of the UKs best known brands and public-sector organisations.

The registered office of Equiniti Gateway Limited (registered in England and Wales with company no. 06729467) is 42-50 Hersham Road, Walton-On-Thames, Surrey, England, KT12 1RZ.



## SUMMARY OF PROVISIONS RELATING TO NOTES IN GLOBAL FORM

Each class of Notes will initially be in the form of a Temporary Global Note which will be delivered on or around the Closing Date to the Common Safekeeper. Each Temporary Global Note will be exchangeable in whole or in part for interests in the related Permanent Global Note not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected until certification of non-U.S. beneficial ownership is received by the Paying Agent.

The Permanent Global Notes will become exchangeable in whole, but not in part, for Notes in definitive form each issued in minimum denominations of £100,000 and higher multiple integrals of £1,000 at the request of the bearer of a Permanent Global Note against presentation and surrender of the Permanent Global Note to the Paying Agent if any of the following events (each an "**Exchange Event**") occurs:

- (a) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing system acceptable to the Trustee is then in existence; or
- (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political sub-division thereof), or of any United Kingdom Tax Authority or in the interpretation or administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will on the next Payment Date be required to make any deduction or withholding for or on account of Tax from any payment in respect of the Notes which would not be required were such Notes in definitive form.

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with receipts, Coupons and talons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the specified office of the Paying Agent within 30 days of the occurrence of the relevant Exchange Event.

In addition, the Temporary Global Notes and the Permanent Global Notes will contain provisions which modify the Conditions of the Notes as they apply to the Temporary Global Notes and the Permanent Global Notes. The following is a summary of certain of those provisions:

*Nominal amounts:* The nominal amount of the Notes represented by each Global Note shall be the aggregate amount from time to time entered in the records of both Euroclear and Clearstream, Luxembourg (in their capacity as the "**ICSDs**"). 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 nominal amount of the Notes and, for these purposes, a statement issued by an ICSD stating the nominal amount of the Notes at any time (which statement shall be made available to the bearer upon request) shall be conclusive evidence of the records of such ICSD at that time.

*Payments:* All payments in respect of the Temporary Global Notes and the Permanent Global Notes will be made by wire transfer by the Paying Agent to Euroclear and Clearstream, Luxembourg for onward credit to the Noteholders and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes.

A record of each payment made on a Global Note, distinguishing between any payment of interest and principal will be entered *pro rata* in the records of the ICSDs and, upon any such entry being made, the nominal amount of the Notes recorded in the records of the ICSDs and represented by the relevant Global Note shall be reduced by the aggregate nominal amount of such instalment so paid. Any failure to make the entries referred to above shall not affect the discharge of the corresponding liabilities of the Issuer in respect of the Notes.

*Notices:* Notwithstanding Condition 18 (*Notices to Noteholders*), while any of the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) kept with a common safekeeper for Euroclear and Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in

accordance with Condition 18 (*Notices to Noteholders*) on the date of delivery to Euroclear and Clearstream, Luxembourg.

*Transfers:* For so long as the Notes are represented by the relevant Global Notes, the Notes so represented by such Global Notes will be transferable in accordance with the rules and procedures for the time being of Euroclear, or, as the case may be, Clearstream, Luxembourg and the Issuer, the Paying Agent and the Trustee may treat each Person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular principal amount of Class A Notes, Class B Notes, Class C Notes or Class D Notes (as the case may be) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of the Notes standing to the account of any Person shall be conclusive and binding for all purposes) as the holder of such principal amount of such Notes for all purposes, other than with respect to the payment of interest and repayment of principal on such Notes, the right to which shall be vested solely in the bearer of the relevant Global Note and in accordance with its terms.

*Meetings:* The holder of each Global Note will be treated as being two Persons for the purposes of any quorum requirement of, or the right to demand a poll at, a meeting of holders of each class of the Notes, as the case may be, and, at any such meeting, as having one vote in respect of each £1,000, Principal Amount Outstanding of each class of the Notes for which the Global Note may be exchanged.

## TERMS AND CONDITIONS OF THE NOTES

*If the Notes were to be issued in definitive form, the terms and conditions set out on the reverse of each of the Notes would be as follows. While the Notes are represented by Global Notes, they will be governed by the same terms and conditions except to the extent that such terms and conditions are appropriate only to securities in definitive form or are expressly varied by the terms of such Global Notes.*

The Notes are subject to, and have the benefit of a trust deed to be dated the Closing Date (the "**Trust Deed**") made between the Issuer and HSBC Corporate Trustee Company (UK) Limited as trustee for the Noteholders (the "**Trustee**").

Any reference to the Notes in these terms and conditions (the "**Conditions**") shall include the Global Notes and the Definitive Notes. The security for the Notes is created pursuant to, and on the terms set out in, a deed of charge to be dated the Closing Date (the "**Deed of Charge**") made between the Issuer and the Trustee as security trustee for the Transaction Creditors and the assignment in security to be dated the Closing Date (the "**Assignment in Security**").

Pursuant to a paying agency agreement (the "**Paying Agency Agreement**") to be dated the Closing Date and made between the Issuer, the Trustee and HSBC Bank plc in such capacities, the "**Paying Agent**" and the "**Agent Bank**"), provisions are made for, *inter alia*, the payment of principal and interest in respect of the Notes.

Terms used herein have the meanings given to them in Condition 1 (*Definitions*) of the Conditions, unless defined otherwise. Copies of the Trust Deed, the Paying Agency Agreement and the other Transaction Documents are available for inspection during normal business hours at the specified office of the Paying Agent, being at the date hereof 8 Canada Square, London E14 5HQ, United Kingdom. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement and the other Transaction Documents.

### 1. DEFINITIONS

"**Account Agreement**" means the account agreement between the Issuer, the Cash Manager, the Account Bank and the Trustee governing the Accounts dated on or about the Closing Date.

"**Account Bank**" means HSBC Bank plc.

"**Accounts**" means the Cash Reserve Account, the Issuer Account and the Swap Collateral Cash Account.

"**Accrued Interest**" means in respect of a Note, the interest which has accrued on that Note.

"**Additional Cut-Off Date**" means in respect of an Additional Purchase Date the last day of the immediately preceding Monthly Period.

"**Additional Purchase Date**" means a Payment Date falling in the Revolving Period (including, for the avoidance of doubt, if the Revolving Period ends on a Payment Date and the Revolving Period has not come to an end as a result of the occurrence of an Amortisation Event, such date).

"**Additional Purchase Price**" means in respect of Additional Purchased Receivables (a) an amount equal to their Principal Balance as of the relevant Additional Cut-Off Date and (b) any amount of Deferred Purchase Price paid to the Seller by the Issuer pursuant to the Priority of Payments, provided that the Revolving Period does not end following the occurrence of an Amortisation Event.

"**Additional Purchased Receivables**" means the Additional Receivables purchased by the Issuer from FRB London on any Additional Purchase Date in accordance with the Receivables Purchase Agreement.

"**Additional Receivables**" means the additional Receivables to be purchased by the Issuer in accordance with the Receivables Purchase Agreement.

"**Administrator Recovery Incentive**" means any incentive fee, costs and/or expenses payable, pursuant to the Servicing Agreement, to an Insolvency Official of FRB London in relation to the sale of Financed Objects after any Insolvency Event of FRB London.

**"Agent Bank"** means HSBC Bank plc.

**"Agents"** means the Agent Bank and the Paying Agent.

**"Aggregate Initial Cut-Off Date Principal Balance"** means the Aggregate Principal Balance as at the Initial Cut-Off Date, being £539,988,853.69.

**"Aggregate Principal Amount Outstanding"** means the aggregate of the Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

**"Aggregate Principal Balance"** means, as at a relevant date, the sum of the Principal Balance of all Purchased Receivables.

**"Amendment and Restatement Deed"** relating to a Collection Accounts Declaration of Trust" means the amendment and restatement deed entered into by the Seller on the Closing Date in relation to a trust over the Collection Accounts made by the Seller in favour of Turbo Finance 2 plc on 29 March 2012 (Turbo Finance 2 plc having subsequently been removed as a beneficiary of the trust on 23 September 2014), as amended and restated on 21 November 2012 (to add Turbo Finance 3 plc and FRB London as beneficiaries of the trust and to extend the trust to all monies standing to the credit of the Collection Accounts), as amended and restated on 14 November 2013 (to add Turbo Finance 4 plc as beneficiary of the trust, Turbo Finance 4 plc having subsequently been removed as a beneficiary of the trust on 23 October 2017), as amended and restated on 23 September 2014 (to add Turbo Finance 5 plc as beneficiary of the trust), as amended and restated on 14 July 2015 (to add Motohouse Limited as beneficiary of the trust), as amended and restated on 16 February 2016 (to add Turbo Finance 6 plc as beneficiary of the trust and remove Turbo Finance 3 plc as beneficiary of the trust), as amended and restated on 30 November 2016 (to add Turbo Finance 7 plc as a beneficiary of the trust), as amended and restated on 23 October 2017 (to add Motofirst Limited as a beneficiary of the trust and remove Turbo Finance 4 plc as a beneficiary of the trust) and as amended and restated on the Closing Date (to add the Issuer as beneficiary of the trust).

**"Amortisation Date"** means the earlier of: (i) the Payment Date following the Additional Cut-Off Date in July 2019 and (ii) the day on which an Amortisation Event has occurred.

**"Amortisation Event"** means the occurrence of any of the following:

- (a) on any Calculation Date, the Delinquency Ratio exceeds 2.5%;
- (b) on any Calculation Date, the Cumulative Net Loss Ratio exceeds 3.0%;
- (c) on two consecutive Payment Dates, the amount credited to the Issuer Account and recorded in the Replenishment Ledger after payments being made in accordance with the Pre-Enforcement Order of Priority is greater than 10% of the Aggregate Initial Cut-Off Date Principal Balance;
- (d) the occurrence of an Event of Default or Termination Event (in each case as defined in the Swap Agreement) under the Interest Rate Swap Agreement;
- (e) the occurrence of an Enforcement Event;
- (f) the occurrence of a Notification Event;
- (g) on any Payment Date, the Cash Reserve Account is not funded up to the Specified Cash Reserve Account Required Balance, provided that, if on any Payment Date during the first 4 months following the Closing Date the balance of the Cash Reserve Account is between 0.7% and 1.3% of the Aggregate Initial Cut-Off Date Principal Balance, no Amortisation Event shall occur pursuant to this paragraph (g);
- (h) on any Calculation Date, (i) the Performing Principal Outstanding Amount of the Loans plus any amounts available to be used under item (j) of the Pre-Enforcement Order of Priority is less than (ii) the aggregate Principal Amount Outstanding of the Rated Notes and the Class C Notes as of such Calculation Date;

**"Ancillary Rights"** means, in relation to a Receivable, all remedies for enforcing the same including, for the avoidance of doubt and without limitation:

- (a) the right to demand, sue for, recover, receive and give receipts for all amounts due and to become due whether or not from Obligors or guarantors under or relating to the Financing Contract to which such Receivable relates and all guarantees (if any) (including, for the avoidance of doubt, any Enforcement Proceeds received by the Seller or its agents);
- (b) the benefit of all covenants and undertakings from Obligors and from guarantors under the Financing Contract to which such Receivable relates and under all guarantees (if any);
- (c) the benefit of all causes and rights of actions against Obligors and guarantors under and relating to the Financing Contract to which such Receivable relates and under and relating to all guarantees (if any);
- (d) the benefit of any other rights, title, interest, powers and benefits of the Seller into, under, pursuant to or in relation to such Financing Contract (other than rights specifically relating to legal title to the Financed Object itself with such rights including, without limitation, the right of ownership, but excluding the rights to any PCP Recoveries);
- (e) any Insurance Proceeds received by the Seller or its agents pursuant to Insurance Claims in each case insofar as the same relate to the Financing Contract to which such Receivable relates;
- (f) the benefit of all causes and rights of actions against a dealer under and relating to the Financing Contract to which such Receivable relates;
- (g) the benefit of any other rights, title, interest, powers and benefits of the Seller into, under, pursuant to or in relation to the proceeds of any realisation or sale of a Financed Object (or under any contract made by the Seller with a third party for any sale of a Financed Object) in respect of such Receivable; plus
- (h) the benefit of any rights, title, interest, powers and benefits of the Seller in and to PCP Recoveries.

"**Appointee**" means any attorney, manager, agent, delegate or other person appointed by the Trustee under the Trust Deed and/or the Deed of Charge, including to discharge any of the Trustee's functions or advise in relation thereto;

"**Arrangers**" means FirstRand Bank Limited, London Branch and HSBC Bank plc.

"**Assignment in Security**" means the assignment in security to be granted by the Issuer in favour of the Trustee substantially in the form annexed to the Deed of Charge.

"**Available Distribution Amount**" in respect of a Payment Date (including, for the avoidance of doubt, the Final Maturity Date), means the amount calculated on the relevant Calculation Date being the sum of the following amounts:

- (a) in the case of the first Payment Date falling on 20 February 2018, the amounts standing to the credit of the Issuer Account which represent the excess of the net proceeds of the issue of the Rated Notes and the Class C Notes and the Class D Notes over the Initial Purchase Price;
- (b) in the case of the first Payment Date falling on 20 February 2018, the Collections received from the Initial Cut-Off Date until 31 January 2018 (inclusive) and, for all subsequent Payment Dates, the Collections received for the immediately preceding Monthly Period (or, in the event payment of principal is deferred pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*), the Collections received for the Monthly Period immediately preceding the Servicing Report Delivery Failure and each subsequent Monthly Period up to and including the Monthly Period immediately preceding the relevant Payment Date); plus
- (c) any amounts standing to the credit of the Cash Reserve Account on the relevant Calculation Date; plus
- (d) net investment earnings from Permitted Investments as calculated on the relevant Calculation Date; plus
- (e) any amounts standing to the credit of the Issuer Account on the relevant Calculation Date which represent interest accrued on such account; plus
- (f) any amounts standing to the credit of the Issuer Account and recorded on the Replenishment Ledger on the relevant Calculation Date; plus
- (g) the Swap Amounts (if any) to be received by the Issuer from the Swap Counterparty; plus

- (h) in the case of the first Payment Date falling on 20 February 2018, any VAT Adjustment Amounts received from the Initial Cut-Off Date until 31 January 2018 (inclusive) and, for all subsequent Payment Dates, any VAT Adjustment Amount received for the immediately preceding Monthly Period (or, in the event payment of principal is deferred pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*), any VAT Adjustment Amount received for the Monthly Period immediately preceding the Servicing Report Delivery Failure and each subsequent Monthly Period up to and including the Monthly Period immediately preceding the relevant Payment Date); less
- (i) where the payment of principal has been deferred pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*), any amounts received by the Issuer that have been applied by the Cash Manager towards payment of interest on the Rated Notes and any other amount ranking in priority thereto in accordance with the provisions of Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*) within the period of such principal repayment deferral.

**"Back-up Servicer"** means Equiniti Gateway Limited.

**"Back-up Servicing Agreement"** means the back-up servicing agreement between the Back-up Servicer, the Issuer, the Seller, the Servicer and the Trustee dated on or about the Closing Date.

**"Basic Terms Modification"** means any modification of the terms of the relevant Class of Notes which relates to:

- (a) altering the Priority of Payments;
- (b) changing any date fixed for payment of principal or interest in respect of the relevant Class of Notes;
- (c) a modification which would have the effect of changing any day for payment of interest or any other distributions (as the case may be) in respect of such Notes;
- (d) changing the amount of principal or any other distributions (as the case may be) payable in respect of such Notes;
- (e) the alteration of the Class A Notes Interest Rate, the Class B Notes Interest Rate, the Class C Notes Interest Rate or the Class D Notes Interest Rate;
- (f) the alteration of the majority or quorum required to pass an Extraordinary Resolution;
- (g) the alteration of the currency of payment of such Notes; or
- (h) any alteration of the definition of Basic Terms Modification.

**"Business Day"** means any day which is a TARGET2 Day or, if such day is not a day on which banks are open for business in London, Johannesburg and Luxembourg, the next succeeding TARGET2 Day on which banks are open for business in London, Johannesburg and Luxembourg.

**"Calculation Date"** means, in relation to a Payment Date, the second Business Day prior to such Payment Date.

**"Cash Management Agreement"** means the cash management agreement between the Issuer, the Cash Manager and the Trustee dated on or about the Closing Date.

**"Cash Management Fee"** means the fee payable to the Cash Manager pursuant to the Cash Management Agreement.

**"Cash Manager"** means HSBC Bank plc.

**"Cash Reserve Account"** means the account held in the name of the Issuer with the Account Bank.

**"Cash Reserve Amount"** means the outstanding balance of the Cash Reserve Account from time to time.

**"CCA"** means the Consumer Credit Act 1974, as amended by the Consumer Credit Act 2006 and associated secondary legislation.

**"Charged Transaction Documents"** means the Transaction Documents other than the Trust Deed, the Deed of Charge and the Assignment in Security.

**"Class"** or **"class"** means any of the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes.

**"Class A and B Note Purchase Agreement"** means the note purchase agreement with respect to the Class A Notes and the Class B Notes entered into between the Issuer, the Seller, the Class A and B Note Purchaser and the Arrangers, dated on or about the Signing Date.

**"Class A and B Note Purchaser"** means FRB London.

**"Class A Margin"** means 0.80% per annum.

**"Class A Noteholders"** means the holders of the Class A Notes.

**"Class A Notes"** means the class A notes issued by the Issuer on the Closing Date with a total principal amount of £507,500,000.00 and senior to the Class B Notes, Class C Notes and Class D Notes with respect to the payment of interest and principal respectively.

**"Class A Notes Interest Amount"** has the meaning given to it in Condition 6.3 (*Interest - Interest Rates on the Notes*).

**"Class A Notes Interest Rate"** means one-month LIBOR for Sterling deposits (or, in the case of the first Interest Period from (and including) the Closing Date to (but excluding) the Payment Date falling in February 2018, an interpolation of the LIBOR for 1 week and 1 month Sterling deposits) plus the Class A Margin, provided that the Class A Notes Interest Rate shall be zero if one-month LIBOR for Sterling deposits plus the Class A Margin is less than zero.

**"Class A Principal Payment Amount"** means as at each Calculation Date, an amount equal to the lesser of (a) the Principal Amortisation Amount and (b) the then Principal Amount Outstanding of the Class A Notes.

**"Class B Margin"** means 1.40% per annum.

**"Class B Noteholders"** means the holders of the Class B Notes.

**"Class B Notes"** means the class B notes issued by the Issuer on the Closing Date with a total principal amount of £21,500,000.00 ranking junior to the Class A Notes and senior to the Class C Notes and Class D Notes with respect to the payment of interest and principal respectively.

**"Class B Notes Interest Amount"** has the meaning given to it by Condition 6.3 (*Interest - Interest Rates on the Notes*).

**"Class B Notes Interest Rate"** means one-month LIBOR for Sterling deposits (or, in the case of the first Interest Period from (and including) the Closing Date to (but excluding) the Payment Date falling in February 2018 an interpolation of the LIBOR for 1 week and 1 month Sterling deposits) plus the Class B Margin, provided that the Class B Notes Interest Rate shall be zero if one-month LIBOR for Sterling deposits plus the Class B Margin is less than zero.

**"Class B Principal Payment Amount"** means, as at each Calculation Date, an amount equal to the lesser of (a) the Principal Amortisation Amount less any Class A Principal Payment Amounts to be paid on the immediately following Payment Date and (b) the then Principal Amount Outstanding of the Class B Notes.

**"Class C Noteholders"** means the holders of the Class C Notes.

**"Class C and D Note Purchase Agreement"** means the note purchase agreement with respect to the Class C Notes and the Class D Notes entered into between the Issuer and the Class C and D Note Purchaser on or about the Signing Date.

**"Class C and D Note Purchaser"** means FirstRand International Limited.

**"Class C Notes"** means the class C notes issued by the Issuer on the Closing Date with a total principal amount of £11,000,000.00 ranking junior to the Class A Notes and Class B Notes and senior to the Class D Notes with respect to the

payment of interest and principal respectively.

"**Class C Notes Interest Amount**" has the meaning given to it by Condition 6.3 (*Interest - Interest Rates on the Notes*).

"**Class C Notes Interest Rate**" means 15% per annum.

"**Class C Principal Payment Amount**" means, as at each Calculation Date, an amount equal to the lesser of (a) the Principal Amortisation Amount less any Class A Principal Payment Amounts and Class B Principal Payment Amounts to be paid on the immediately following Payment Date and (b) the then Principal Amount Outstanding of the Class C Notes.

"**Class D Noteholders**" means the holders of the Class D Notes.

"**Class D Notes**" means the class D notes issued by the Issuer on the Closing Date with a total principal amount of £3,780,000.00 ranking junior to the Class A Notes, the Class B Notes and the Class C Notes with respect to the payment of interest and principal respectively.

"**Class D Notes Interest Amount**" has the meaning given to it by Condition 6.3 (*Interest - Interest Rates on the Notes*).

"**Class D Notes Interest Rate**" means 20% per annum.

"**Class D Principal Payment Amount**" means, as at each Calculation Date, an amount equal to the lesser of (a) the Principal Amortisation Amount less any Class A Principal Payment Amounts and Class B Principal Payment Amounts and Class C Principal Payment Amounts to be paid on the immediately following Payment Date and (b) the then Principal Amount Outstanding of the Class D Notes.

"**Clean-Up Call**" means the option of the Issuer to sell the Purchased Receivables for the Clean-Up Call Settlement Amount at any time after the Aggregate Principal Balance is less than 10% of the Aggregate Initial Cut-Off Date Principal Balance provided that the conditions set out in Condition 7.3 (*Redemption and Cancellation - Optional Redemption in Whole*) for redemption of the Notes are satisfied.

"**Clean-Up Call Settlement Amount**" means an amount equal to the Principal Balance of all Purchased Receivables in the Purchased Pool as at the time the Clean-up Call is exercised, calculated using the Financing Contract Rate on the basis of one year of 360 days being equivalent to 12 months, each month consisting of 30 days and taking into account the risk of losses, if any, in order to reach a fair market value.

"**Clearing Systems**" means Clearstream, Luxembourg and Euroclear.

"**Clearstream, Luxembourg**" means the Clearstream, Luxembourg clearance system for internationally traded securities operated by Clearstream Banking, *société anonyme*, and any successor thereto.

"**Closing Date**" means 23 January 2018.

"**Collection Accounts**" means such accounts held at Lloyds Bank plc in the name of the Servicer for the deposit of Collections with account numbers 01249911 and 00231355.

"**Collection Account Declaration of Trust**" means the declaration of trust granted by the Seller on 29 March 2012 in relation to a trust over the Collection Accounts as amended and restated pursuant to the Amendment and Restatement Deed relating to a Collection Accounts Declaration of Trust.

"**Collections**" means (a) all cash collections received by the Servicer from the relevant Cut-Off Date in respect of Purchased Receivables including, without limitation, PCP Recoveries, excess mileage charges, any Final Payment Amounts, any Option to Purchase Fee, any amounts payable by an Obligor in respect of refurbishment charges, repairs, wear-and-tear, recovery charges and other similar types of charges, charges payable as a result of a late payment under a Financing Contract, fees for any extension of the term of a Financing Contract, any other administrative fees payable under a Financing Contract including any capitalised fees and capitalised interest (excluding any interest accrued prior to but excluding the relevant Cut-Off Date immediately preceding the Initial Purchase Date or the Additional Purchase Date, as applicable, on which such Receivables were purchased by the Issuer), Enforcement Proceeds, Insurance Proceeds and the VAT Component on payments received by the Servicer and (b) Repurchase Amounts and any other amounts payable



to the Issuer on the purchase of Receivables pursuant to the Clean-Up Call and any payment received by the Issuer pursuant to clause 11 (*Payment for Non-Existent Receivables*) of the Receivables Purchase Agreement.

"**Common Safekeeper**" means HSBC Bank plc, the keeper of the Global Notes on behalf of the ICSDs.

"**Common Service Provider**" means HSBC Bank plc.

"**Conditions**" means the terms and conditions to be endorsed on the Notes in, or substantially in, the form set out in schedule 4 (*Terms And Conditions of the Notes*) of the Trust Deed as any of the same may from time to time be modified in accordance with the Trust Deed.

"**Corporate Services Agreement**" means the corporate services agreement entered into by the Issuer, the Share Trustee and the Corporate Services Provider on or about the Closing Date.

"**Corporate Services Provider**" means Maples Fiduciary Services (UK) Limited.

"**Couponholders**" means the holders for the time being of the Coupons appertaining to the Notes.

"**Coupons**" means the coupons appertaining to the Notes.

"**Cumulative Net Loss Ratio**" means, on any Calculation Date, the ratio, expressed as a percentage (rounded downwards to two decimal places) of:

- (a) the Principal Loss as at the end of the Monthly Period immediately preceding such Calculation Date;
- to
- (b) the Aggregate Initial Cut-Off Date Principal Balance plus the aggregate Principal Balances of any Additional Purchased Receivables as of each relevant Additional Cut-Off Date occurring before such Calculation Date.

"**Cut-Off Date**" means the Initial Cut-Off Date or each Additional Cut-Off Date.

"**DBRS**" means DBRS Ratings Limited, or any successor to its rating business.

"**DBRS Equivalent Chart**" means:

DBRS	Moody's	S&P	Fitch
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB (high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB (low)	Baa3	BBB-	BBB-
BB (high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B (high)	B1	B+	B+
B	B2	B	B
B (low)	B3	B-	B-
CCC (high)	Caa1	CCC+	CCC
CCC	Caa2	CCC	
CCC (low)	Caa3	CCC-	
CC	Ca	CC	
		C	
D	C	D	D

"DBRS Equivalent Rating" means:

- (a) if a Fitch public senior unsecured debt rating (or equivalent long term rating), a Moody's public senior unsecured debt rating (or equivalent long term rating) and an S&P public senior unsecured debt rating (or equivalent long term rating) in respect of a certain entity (each, a "Public Long Term Rating") are all available at such date, the corresponding DBRS rating as shown in the DBRS Equivalent Chart of such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS rating one notch below the DBRS rating corresponding to such Public Long Term Rating as shown in the DBRS Equivalent Chart). For this purpose, if more than one Public Long Term Rating has the same highest or same lowest DBRS rating as shown in the DBRS Equivalent Chart, then in each case one of such Public Long Term Ratings shall be so disregarded;
- (b) if the DBRS Equivalent Rating cannot be determined under (a) above, but Public Long Term Ratings of a certain entity by any two of Fitch, Moody's and S&P are available at such date, the corresponding DBRS rating as shown in the DBRS Equivalent Chart of the lower of such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below); and
- (c) if the DBRS Equivalent Rating cannot be determined under (a) and (b) above, but a Public Long Term Rating by any one of Fitch, Moody's and S&P is available at such date, then the DBRS rating as shown in the DBRS Equivalent Chart will be such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS rating one notch below the DBRS rating corresponding to such Public Long Term Rating as shown in the DBRS Equivalent Chart).

If at any time the DBRS Equivalent Rating cannot be determined under subparagraphs (a) to (c) above, then the relevant entity will be deemed to have a DBRS rating of "C" at such time.

"Deed of Charge" means the deed of charge dated on or about the Closing Date and entered into by, *inter alios*, the Issuer and the Trustee and includes any further or supplemental deed or charge or security granted pursuant thereto.

"Defaulted Receivable" means any Purchased Receivable in respect of which (a) recovery proceedings have been commenced by the Servicer and/or (b) the relevant Obligor has missed more than three consecutive scheduled monthly payments.

"Deferred Purchase Price" means any amount of deferred purchase price payable to the Seller pursuant to clause 5

(*Consideration*) of the Receivables Purchase Agreement.

"**Definitive Notes**" means the Notes issued in definitive bearer form.

"**Delinquency Ratio**" means, on any Calculation Date, the ratio, expressed as a percentage (rounded downwards to two decimal places) of:

- (a) the aggregate Principal Balance of each Delinquent Receivable as at the end of the Monthly Period immediately preceding such Calculation Date;

to

- (b) the Performing Principal Outstanding Amount of the Loans as calculated on such Calculation Date (for the avoidance of doubt excluding any Additional Purchased Receivables to be purchased on the Payment Date following such Calculation Date).

"**Delinquent Receivable**" means any Purchased Receivable which (a) is more than 30 days overdue for an amount greater than £70 and (b) is not a Defaulted Receivable.

"**Effective Rate**" means the term annual percentage rate applicable to each Financing Contract, taking into account the Option to Purchase Fee under such Financing Contract.

"**EMIR**" means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, known as the European Market Infrastructure Regulation.

"**Encumbrance**" means any mortgage, sub-mortgage, security assignment or assignation, standard security, charge, sub-charge, pledge, lien, right of set-off or other encumbrance or security interest of any kind, however created or arising, including anything analogous to any of the foregoing under the laws of any jurisdiction.

"**Enforcement Event**" means any of the following events:

- (a) *Non-payment*: the Issuer fails to pay any amount of principal or interest (other than (i) any interest which falls to be deferred pursuant to Condition 6.2 (*Payment Dates and Interest Periods*), or (ii) any principal which falls to be deferred pursuant to Condition 7.4 (*Redemption and Cancellation – Mandatory Redemption in Part*)) in respect of the Notes, within two Business Days after the due date for payment thereof; or
- (b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any other obligation, condition, provision, representation or warranty binding upon or made by it under or in respect of the Notes, the Conditions or any Transaction Document (other than any obligation whose breach would give rise to the Enforcement Event provided for in Condition 11 (*Enforcement Events*)) and such default (A) is, in the opinion of the Trustee, incapable of remedy or (B) is, in the opinion of the Trustee, capable of remedy but remains unremedied for 30 days or such longer period as the Trustee may agree after the Trustee has given written notice thereof to the Issuer; or
- (c) *Insolvency*: an Insolvency Event occurs with respect to the Issuer; or
- (d) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, the Conditions, the Trust Deed or any other Transaction Document,

provided that in the case of the occurrence of any of the events mentioned in paragraph (b), the Trustee shall have certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the Most Senior Class Outstanding.

"**Enforcement Notice**" means a notice given by the Trustee to the Issuer following the occurrence of an Enforcement Event declaring the Notes immediately due and payable.

"**Enforcement Proceeds**" means the gross proceeds from the realisation of Financed Objects in respect of Purchased Receivables and from the enforcement of any other Ancillary Rights.

"EU" means the European Union.

"EU Member State" means, as the context may require, a member state of the European Union or of the European Economic Area.

"Euroclear" means Euroclear Bank S.A./N.V. and any successor thereto.

"Excess Swap Collateral" means an amount equal to the value of the Swap Collateral (or the applicable part thereof) provided by the Swap Counterparty to the Issuer which is in excess of the Swap Counterparty's liability (prior to any netting in respect of such Swap Collateral) under the Interest Rate Swap Agreement as at the date of termination of the Interest Rate Swap Agreement which the Swap Counterparty is otherwise entitled to have returned to it under the terms of the Interest Rate Swap Agreement.

"Expected Amortisation Amount" means, as calculated on each Calculation Date, if positive:

- (a) the aggregate of (i) the Principal Amount Outstanding of all Notes as at that Calculation Date and (ii) the Initial Cash Reserve Account Increase Amount;  
  
minus
- (b) the aggregate of (i) the Performing Principal Outstanding Amount of the Loans as calculated on the relevant Calculation Date and (ii) the Specified Cash Reserve Account Required Balance applicable to the immediately following Payment Date.

"Expenses Loan Agreement" means the expenses loan agreement relating to the initial costs and expenses of the Transaction and made between FRB London, the Issuer, the Trustee and the Cash Manager on or about the Closing Date.

"Expenses Loan Provider" means FRB London.

"Extraordinary Resolution" means either a resolution (a) passed at a meeting of the relevant class of Noteholders duly convened and held in accordance with the provisions contained in the Trust Deed by a majority consisting of not less than 75% of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than 75% of the votes given on such poll or (b) in writing in accordance with the provisions of paragraph 23 of schedule 5 (*Provision for Meetings of Noteholders*) to the Trust Deed.

"Final Discharge Date" means the date on which the Trustee is satisfied that all the Secured Obligations have been paid or discharged in full.

"Final Maturity Date" means the Payment Date falling in 20 June 2025.

"Final Payment Amount" means, in respect of PCP Contracts, the final payment due under such PCP Contract and which shall be no more than the Minimum Guaranteed Future Value.

"Financed Objects" means the motor vehicles, light commercial vehicles, motorcycles or scooters referred to in the Financing Contracts and financed pursuant thereto.

"Financial Statements" means the published financial statements of the Issuer.

"Financing Contract" means each HP Contract, HP+ Contract and PCP Contract entered into between an Obligor and FRB London in the form of one of the Standard Form Contracts pursuant to which FRB London has provided finance to an Obligor where the final payment due by the Obligor under such contract is not substantially greater than the previous payments due thereunder.

"Financing Contract Rate" means, for each Purchased Receivable, the rate set out in the relevant Financing Contract for the Purchased Receivable.

"FirstRand International Limited" means FirstRand International Limited at La Plaiderie House, St Peter Port, Guernsey GY1 4NL, Channel Islands.

"Fitch" means Fitch Rating Inc., or any successors to its rating business.

"**FRB**" means FirstRand Bank Limited.

"**FRB Group**" means FirstRand Limited together with its subsidiaries and subsidiary undertakings.

"**FRB London**" means FirstRand Bank Limited acting through its London Branch.

"**Global Note**" means each of the Temporary Global Note and the Permanent Global Note.

"**Guaranteed Future Value**" means, in respect of a PCP Contract, the amount specified in such PCP Contract as being the future residual value of the Financed Object that is the subject of such PCP Contract.

"**HP+ Contract**" means each HP Contract which is entered into between an Obligor and FRB London together with a HP+ Unsecured Loan.

"**HP Contract**" means each hire purchase agreement entered into between an Obligor and FRB London in the form of a Standard Form Contract where the balance is amortised in monthly instalments over the period of the agreement, and which is not a PCP Contract.

"**HP+ Unsecured Loan**" means each unsecured loan agreement entered into between an Obligor and FRB London together with a HP+ Contract.

"**ICSDs**" means International Central Securities Depositories, being each of Euroclear and Clearstream, Luxembourg.

"**Initial Cash Reserve Account Increase Amount**" means the difference between (x) an amount equal to 1.3% of the Aggregate Initial Cut-Off Date Principal Balance and (y) the Initial Cash Reserve Amount.

"**Initial Cash Reserve Amount**" means £3,780,000.

"**Initial Cut-Off Date**" means 31 December 2017.

"**Initial Purchase Date**" means the Closing Date.

"**Initial Purchase Price**" means, in respect of the Initial Purchased Receivables, (a) an amount equal to the Aggregate Initial Cut-Off Date Principal Balance and (b) any amount of Deferred Purchase Price paid to the Seller by the Issuer pursuant to the Priority of Payments.

"**Initial Purchased Receivables**" means the Receivables purchased by the Issuer from the Seller on the Initial Purchase Date in accordance with the Receivables Purchase Agreement.

"**Initial Purchased Receivables Pool**" means the pool of Initial Purchased Receivables.

"**Insolvency Act**" means the Insolvency Act 1986.

"**Insolvency Event**", in respect of a company, means:

- (a) such company is or becomes or is declared to be insolvent or unable to pay its debts or suspends or threatens to suspend making payments (whether of principal or interest) with respect to all or any class of its debts;
- (b) the value of the assets of such company is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;
- (c) a moratorium is declared in respect of any indebtedness of such company;
- (d) the commencement of negotiations with one or more creditors of such company with a view to a general readjustment, rescheduling or deferral of any indebtedness of such company or proposal to commence such negotiations;
- (e) any corporate action, legal proceedings or other procedure or step is taken (whether out of court or otherwise) in relation to:

- (i) the liquidation, administration, curatorship, custodian/guardianship, winding-up or dissolution (and, in each case, whether provisional or final) of such company or its estate, or the authorisation of the commencement of business rescue proceedings in respect of such company;
  - (ii) the appointment of an Insolvency Official (excluding, in the case of the Issuer, the Trustee) in relation to such company or in relation to the whole or any part of the undertaking of the company or the relevant company requests the appointment of such Insolvency Official;
  - (iii) an encumbrancer (excluding, in the case of the Issuer, the Trustee) taking possession of the whole or any part of the undertaking or assets of such company;
  - (iv) the making of an arrangement, composition or compromise (whether by way of voluntary arrangement, scheme of arrangement or otherwise) with any creditors (or any class of creditors) of such company, a reorganisation of such company, a conveyance to or assignment for the benefit of creditors of such company (or any class of creditors) or the making of an application to a court of competent jurisdiction for protection from the creditors or such company (or any class of creditors);
  - (v) any act which, if such act was committed by an individual, would be any act of insolvency under the applicable insolvency legislation of the relevant jurisdiction to which such company is subject; and
  - (vi) any analogous procedure or step is taken in any jurisdiction; or
- (f) any distress, execution, diligence, attachment or other process being levied or enforced or imposed upon or against the whole or any material part of the undertakings or assets of such company (excluding in the case of the Issuer, by the Trustee) and such order, appointment, possession or process (as the case may be) not being discharged or otherwise ceasing to apply within 30 days.

**"Insolvency Official"** means, in respect of any company, a liquidator, provisional liquidator, curator, administrator (whether appointed by the court or otherwise), administrative receiver, receiver or manager, nominee, supervisor, trustee in bankruptcy, conservator, guardian, business rescue practitioner, the viscount or other similar official in respect of such company or in respect of all (or substantially all) of the company's assets or in respect of any arrangement or composition with creditors or any equivalent or analogous officer under the law of any jurisdiction.

**"Insurance Claims"** means any claims against any car insurer in relation to any damaged or stolen Financed Object and any claims made under any GAP or PPI insurance contracts entered into by the Obligors in connection with the Financing Contracts.

**"Insurance Proceeds"** means any proceeds or monetary benefit in respect of any Insurance Claims.

**"Interest Amount"** has the meaning set out in Condition 6.5 (*Interest - Interest Rates on the Notes*).

**"Interest Period"** means:

- (a) in respect of the first Payment Date, the period commencing on (and including) the Closing Date and ending on (but excluding) the Payment Date falling on 20 February 2018; and
- (b) in respect of any subsequent Payment Date, the period commencing on (and including) the preceding Payment Date and ending on the calendar day preceding (but excluding) the relevant Payment Date.

**"Interest Rate Swap Agreement"** or **"Interest Rate Swap"** means the interest rate swap transaction as evidenced by a confirmation dated on or about the Closing Date between the Issuer and the Swap Counterparty and governed by the terms of the Swap Agreement.

**"Interest Shortfall"** means the Accrued Interest that is not paid on a Note on the Payment Date related to the relevant Interest Period in which it accrued.

**"Investor Report"** means the report so named to be prepared by the Cash Manager setting out details of, amongst other things, payments on the Purchased Receivables and the Notes.

**"Issuer"** means MotoPark Finance plc.

**"Issuer Account"** means the Sterling account held in the name of the Issuer with the Account Bank.

**"Issuer Covenants"** means the covenants of the Issuer as set out in schedule 5 of the Master Framework Agreement.

**"Issuer-ICSDs Agreement"** means the agreement dated on about the Closing Date between the Issuer and the ICSDs.

**"Issuer Retained Profit"** means an amount of £750 per annum retained by the Issuer in accordance with the Priority of Payments.

**"Issuer Security"** means the security created over the assets of the Issuer in favour of the Trustee pursuant to the provisions of the Deed of Charge and the Assignment in Security.

**"LIBOR"** means the London Interbank Offered Rate (or any successor rate thereto).

**"LIBOR Determination Date"** means, in respect of the first Interest Period, the Closing Date and, in respect of each subsequent Interest Period, the Payment Date on which the relevant Interest Period commences.

**"LIBOR Screen Rate"** means the display designated as the Intercontinental Exchange Benchmark Association rate as quoted on the Reuters <LIBOR=> page.

**"Master Framework Agreement"** means the master framework agreement entered into between the Issuer and the Trustee and dated on or about the Closing Date.

**"Material Adverse Effect"** means, as the context may require:

- (a) a material adverse effect on the validity or enforceability of any of the Transaction Documents; or
- (b) in respect of a Transaction Party, a material adverse effect on:
  - (i) the business, operations, assets property, condition (financial or otherwise) or prospects of such Transaction Party; or
  - (ii) the ability of such Transaction Party to perform its obligations under any of the Transaction Documents; or
  - (iii) the rights or remedies of such Transaction Party under any of the Transaction Documents; or
- (c) a material and adverse effect on the ability of the Issuer to receive full and timely payment on a Purchased Receivable,

provided that, if the Trustee is required to make a determination of any Material Adverse Effect, it shall be entitled to rely on:

- (A) any direction given by the holders of at least 25% of the Principal Amount Outstanding of the Most Senior Class Outstanding; or
- (B) an Extraordinary Resolution of the holders of the Most Senior Class Outstanding.

**"Member States"** means a member state of the European Union.

**"Minimum Guaranteed Future Value"** means, in respect of a PCP Contract, the residual value ascribed by the Seller to the Financed Object in respect of such PCP Contract as calculated with reference to the CAP Gold Book (or such other provider as the case may be) at the time the PCP Contract was entered into.

**"Minimum Rating"** means, in respect of any person, such person has the following rating:

- (a) a short-term a short-term, unsecured, unsubordinated and unguaranteed debt rating of at least A-1 by S&P (if a short-term rating is assigned by S&P) and a long-term unsecured, unsubordinated and unguaranteed debt rating of at least A by S&P, or should the relevant person not benefit from a short-term unsecured, unsubordinated and unguaranteed rating of at least A-1 from S&P, a long-term unsecured, unsubordinated and unguaranteed rating of at least A+ by S&P; and

- (b) a long-term **DBRS Institution Rating** of at least the rating specified in the DBRS Ratings Table below in column B where the relative outstanding most senior Notes' rating is at the rating specified in column A below, or, in each case, such other credit rating which is otherwise acceptable to the relevant Rating Agency.

**“DBRS Institution Rating”**: the rating for an institution acting in the capacity of an account bank is the higher of:

- (a) a rating one notch below the institution’s long-term Critical Obligations Rating ("**COR**"); and  
 (b) the institution’s issuer rating or long-term senior unsecured debt or deposit rating.

If a long-term COR is not available from DBRS on such person, the higher of the such person's issuer rating, long-term senior unsecured debt rating or deposit rating in accordance DBRS Ratings Table below (or, if such person is not rated by DBRS, then the DBRS Equivalent Rating).

DBRS Ratings Table:

Column A	Column B
Rating assigned to the outstanding most senior Notes	Minimum DBRS Institution Rating
AAA	A (high)
AA (high)	A
AA	A (low)
AA (low)	A (low)
A (high)	BBB (high)
A	BBB

**"Month-end Aggregate Defaulted Receivables"** means, as calculated on each Calculation Date, the aggregate Principal Balance of the Purchased Receivables that (a) have become Defaulted Receivables during the Monthly Period immediately preceding the relevant Calculation Date or (b) remain Defaulted Receivables as at the end of such Monthly Period.

**"Month-end Aggregate Voluntarily Terminated Receivables"** means, as calculated on each Calculation Date, the aggregate Principal Balance of the Purchased Receivables that (a) have become Voluntarily Terminated Receivables during the Monthly Period immediately preceding the relevant Calculation Date or (b) remain Voluntarily Terminated Receivables as at the end of such Monthly Period.

**"Monthly Period"** means the calendar month immediately prior to each Payment Date.

**"Moody's"** means Moody's Investors Service Ltd., or any successor to its rating business.

**"Non-Conforming Receivable"** means each Purchased Receivable in respect of which any representation or warranty set out in schedule 3 to the Receivables Purchase Agreement proves to have been incorrect in accordance with clause 10.1(c) (*Repurchase*) of the Receivables Purchase Agreement and has not been remedied by the Seller pursuant to the terms of clause 10.1(c) (*Repurchase*) of the Receivables Purchase Agreement.

**"Noteholders"** means the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders.

**"Note Principal Payment"** has the meaning given to it by Condition 7.6 (*Redemption and Cancellation - Note Principal Payment*).

**"Notes"** means the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes collectively.

**"Notification Event"** means the occurrence of any of the following events:

- (a) *Non-Payment*: FRB London fails to pay any amount due under any Transaction Documents within three Business Days after the earlier of its becoming aware of such default and its receipt of written notice by or on behalf of the Trustee requiring the same to be remedied;



- (b) *Insolvency Event*: an Insolvency Event, in respect of the Seller or the Servicer;
- (c) *Encumbrance*: FRB London creates or grants any Encumbrance or permits any Encumbrance to arise or purports to create or grant any Encumbrance or purports to permit any Encumbrance to arise over or in relation to (1) any Purchased Receivable; (2) any right, title or interest of the Issuer in relation to a Purchased Receivable or Collections; or (3) any proceeds of or sums received or payable in respect of a Purchased Receivable;
- (d) *Dispute*: FRB London disputes, in any manner, the validity or efficacy of any sale and purchase of a Receivable under the Receivables Purchase Agreement and as a result, in the reasonable opinion of the Trustee, there is, or is likely to be, a Material Adverse Effect on the ability of FRB London to perform its obligations under the Transaction Documents or the enforceability, collectability or origination of the Purchased Receivables;
- (e) *Illegality*: it becomes impossible or unlawful for FRB London to continue its business and/or discharge its obligations as contemplated by the Transaction Documents and as a result, in the reasonable opinion of the Trustee, there is, or is likely to be, a Material Adverse Effect on the ability of FRB London to perform its obligations under the Transaction Documents or the enforceability, collectability or origination of the Purchased Receivables;
- (f) *Failure to repurchase*: FRB London fails to (i) repurchase a Non-Conforming Receivable having become obliged to do so pursuant to clause 10 (*Repurchase*) of the Receivables Purchase Agreement or (ii) pay any amount required pursuant to clause 11 (*Payment for Non-Existent Receivables*) of the Receivables Purchase Agreement;
- (g) *Servicer Replacement Event*: a Servicer Replacement Event.

**"Obligor"** means, in respect of a Receivable, a Person (including consumers and businesses) obliged to make payments under a Financing Contract.

**"Outstanding"** means, in relation to the Notes of the relevant class, all the Notes issued other than:

- (a) those *Notes* which have been redeemed in full pursuant to the Trust Deed and the Conditions;
- (b) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including premium (if any) and all interest payable thereon) have been duly paid to the Trustee or to the Paying Agent, as applicable, in the manner provided in the Paying Agency Agreement (and where appropriate notice to that effect has been given to the relevant Noteholders in accordance with the Conditions) and remain available for payment against presentation of the relevant Notes;
- (c) those Notes which have become void under Condition 13 (*Prescription*);
- (d) (for the purpose only of ascertaining the Principal Amount Outstanding of the Notes and without prejudice to the status for any other purpose of the relevant Notes) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 14 (*Replacement of Notes*) and those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 14 (*Replacement of Notes*); and
- (e) any Global Note to the extent that it shall have been exchanged for another Global Note in respect of the Notes of the relevant class or for the Notes of the relevant class in definitive form pursuant to its provisions,

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Noteholders of any class, an Extraordinary Resolution in writing as envisaged by paragraph 23 of schedule 5 (*Provisions for Meetings of Noteholders*) of the Trust Deed and any direction or request by the holders of Notes of any class;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of clauses 7 (*Enforcement*) and 8 (*Proceedings*) of the Trust Deed, Conditions 11 (*Enforcement Events*) and 12 (*Enforcement*) and schedule 5 (*Provisions for Meetings of Noteholders*) to the Trust Deed;

- (iii) any right, discretion, power or authority (whether contained in the Trust Deed, any other Transaction Document or vested by operation of law) which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders or any class thereof; and
- (iv) the determination by the Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders or any class thereof,
  - (A) until such time as the Class A Notes and the Class B Notes have been repaid in full and the remaining notes are held in their entirety by FRB London, FirstRand International Limited or members of the FRB Group, those Notes (if any) which are for the time being held by or on behalf of or for the benefit of FRB London, FirstRand International Limited or members of the FRB Group shall (unless and until ceasing to be so held) be deemed not to remain outstanding; and
  - (B) those Notes (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer, the Servicer, the Back-up Servicer or any other successor servicer or any of their respective subsidiaries or holding companies, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding,

*provided*, in the case of paragraphs (A) and (B), the Trustee shall assume that no such Notes are held by any of the parties referenced in paragraphs (A) and (B) unless notified to the contrary in writing.

**"Paying Agency Agreement"** means the paying agency agreement entered into by the Issuer, the Trustee and the Agents on or about the Closing Date.

**"Paying Agent"** means HSBC Bank plc.

**"Payment Date"** means, in respect of the first such Payment Date, 20 February 2018, and in respect of any subsequent Payment Date, the 20<sup>th</sup> of each calendar month, or, in the event such day is not a Business Day, then on the next following Business Day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day.

**"Performing Principal Outstanding Amount of the Loans"** means, as calculated on each Calculation Date, the Aggregate Principal Balance less the Month-end Aggregate Defaulted Receivables and the Month-end Aggregate Voluntarily Terminated Receivables, in each case as at the end of the Monthly Period immediately preceding the relevant Calculation Date.

**"Permanent Global Note"** means in respect of each Class of Notes the permanent global bearer notes without Coupons attached representing each such Class as more specifically described in Condition 2 (*Form, Denomination and Title*).

**"Permitted Investments"** means any amount standing to the credit of the Issuer Account and the Cash Reserve Account invested by the Account Bank (acting on the instructions of the Cash Manager who shall give such instruction at the direction of the Servicer acting on behalf of the Issuer), provided that a Permitted Investment shall:

- (a) be a Sterling deposit;
- (b) be held at or made with an institution having at least the Minimum Rating;
- (c) have a payment at maturity at least equal to the amount invested;
- (d) allow for amounts to be withdrawn at any time without penalty before the next Payment Date;
- (e) constitute "cash equivalents" as contemplated by the Volcker Rule; and
- (f) not produce a negative return.

**"Person"** means an individual, partnership, corporation (including a business trust), unincorporated association, trust, joint stock company, limited liability company, joint venture or other entity, or a government or political subdivision, agency or instrumentality thereof.

**"Post-Enforcement Order of Priority"** means the priority of payments described in Condition 12.3 (*Enforcement - Post-178*)

*Enforcement Order of Priority*) of the Conditions.

**"Pre-Enforcement Order of Priority"** means the priority of payments described in Condition 8.8 (*Payments - Pre-Enforcement Order of Priority*) of the Conditions.

**"Principal Amortisation Amount"** means the lower of:

- (a) the Available Distribution Amount as at the Calculation Date immediately preceding the relevant Payment Date less, to the extent the Pre-Enforcement Order of Priority applies, all amounts falling due and payable under items (a) to (i) as the case may be of the Pre-Enforcement Order of Priority on such Payment Date; and
- (b) the Expected Amortisation Amount.

**"Principal Amount"** means, in relation to the Notes of the relevant class, the original principal amount of the Notes of such class on issuance.

**"Principal Amount Outstanding"** means, in relation to the Notes of the relevant class, the Principal Amount less the aggregate of any principal repayments in respect of the Notes of such class made in accordance with the Conditions.

**"Principal Balance"** in respect of a Purchased Receivable (or any other Receivable, as the context may require), as at a relevant date, means the principal amount outstanding (excluding, for the avoidance of doubt, any upfront fees and any capitalised fees and/or capitalised interest) of that Purchased Receivable (or any other Receivable, as the case may be) as at the relevant Cut-Off Date less the aggregate principal repayments or reductions, as applicable, in respect of that Purchased Receivable (or any other Receivable, as the case may be) already made as at such relevant date (since the relevant Cut-Off Date) including, without double-counting, by way of (a) payments by or on behalf of the relevant Obligor(s), (b) application of the proceeds from the sale of the relevant motor vehicle and/or (c) a write-off in respect of the relevant Financing Contract (including but not limited to any write-offs as set out in limb (c) of the definition of "Principal Loss").

**"Principal Loss"** means, as at a relevant date:

- (a) the aggregate of:
  - (i) the Principal Balance of each Purchased Receivable that has become a Defaulted Receivable (including, for the avoidance of doubt, in respect of any Defaulted Receivable which is a PCP Contract, the Final Payment Amount) in each case as determined at the point at which such Purchased Receivable became a Defaulted Receivable; and
  - (ii) the portion remaining unpaid by an Obligor of the Principal Balance of each Purchased Receivable where a Voluntary Termination has been exercised (as determined at the point at which such Voluntary Termination is exercised),

in each case, since the relevant Cut-Off Date, less

- (a) any amounts received as a result of recovery procedures carried out by the Servicer in relation to Defaulted Receivables and Voluntary Terminations for the same period, plus
- (b) the aggregate of the PCP GFV Loss of each Purchased Receivable that is a Redelivery PCP Contract and where either:
  - (i) the Redelivered Vehicle has been sold by the Servicer since the relevant Cut-Off Date;
  - (ii) the Redelivered Vehicle has become an Unsold Redelivered Vehicle since the relevant Cut-Off Date, less
- (c) any other proceeds related to all Redelivery PCP Contracts for the same period.

**"Priority of Payments"** means the Pre-Enforcement Order of Priority and the Post-Enforcement Order of Priority.

**"Prospectus"** means this prospectus dated on or about the Closing Date prepared in connection with the issue by the Issuer of the Notes.

**"Provisional Payments Report"** means the payment report prepared by the Cash Manager pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*).

**"Purchase Date"** means the Closing Date or any Additional Purchase Date.

**"Purchase Price"** means the Initial Purchase Price or the Additional Purchase Price, as applicable.

**"Purchase Notes"** means the Class A Notes and the Class B Notes.

**"Purchased Receivables"** means the Initial Purchased Receivables and the Additional Purchased Receivables.

**"Purchased Receivables Pool"** means the pool of Purchased Receivables.

**"Rated Notes"** means the Class A Notes and the Class B Notes and each a **"Rated Note"**.

**"Rating Agencies"** means S&P and DBRS.

**"Receivables"** means any amount which is due under a Financing Contract owed to the Seller by an Obligor including, for the avoidance of doubt but without limitation, the Collections and the Ancillary Rights relating to such Receivable.

**"Receivables Purchase Agreement"** means the document entitled "Receivables Purchase Agreement" and entered into between the Issuer, the Seller, the Servicer and the Trustee dated on or about the Closing Date.

**"Receiver"** or **"receiver"** means any receiver or administrative receiver who (in the case of an administrative receiver) is a qualified person in accordance with the Insolvency Act and who is appointed by the Trustee under the Deed of Charge in respect of the Issuer Security and includes more than one such receiver and any substituted receiver.

**"Reference Banks"** means (a) the banks named as such in Condition 6.3 (*Interest - Interest Rates on the Notes*), or (b) such other banks (being at least three in number) as may from time to time be appointed as such by the Issuer in accordance with the Conditions.

**"Regulated Financing Contracts"** means a Financing Contract which is regulated by the CCA.

**"Relevant Date"** means, in respect of any Notes, the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after the date on which notice is duly given to the Noteholders in accordance with Condition 18 (*Notices to Noteholders*) that, upon further presentation of the Notes being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

**"Replacement Swap Counterparty"** means upon the termination of the Interest Rate Swap Agreement and replacement of the Swap Counterparty, such replacement swap counterparty.

**"Replacement Swap Premium"** means any replacement swap premium payable or received by the Issuer to or from a Replacement Swap Counterparty as a result of the termination of the Interest Rate Swap Agreement and the replacement of the Swap Counterparty with a Replacement Swap Counterparty.

**"Replenishment Amount"** means, on any Calculation Date occurring during the Revolving Period, the difference, if positive, between the aggregate Principal Amount Outstanding of all Notes as at that Calculation Date and the aggregate of (a) the Performing Principal Outstanding Amount of the Loans as calculated on the relevant Calculation Date and (b) the Initial Cash Reserve Amount.

**"Replenishment Ledger"** means the ledger to be created and maintained in the Issuer Account to record the Replenishment Amount.

**"Repurchase Amount"** means the amount payable by the Seller to the Issuer pursuant to the Receivables Purchase Agreement in relation to Non-Conforming Receivables which amount shall be the Principal Balance of the relevant

Receivables together with any interest that has accrued as at the relevant Repurchase Date.

**"Repurchase Date"** means any date on which Receivables are repurchased by the Seller following a Repurchase Event.

**"Repurchase Event"** means the retransfer of a Non-Conforming Receivable pursuant to the terms of the Receivables Purchase Agreement.

**"Required Rating"** means:

- (a) with respect to DBRS, the long-term, unsecured and unsubordinated debt or counterparty obligations must be rated at least A by DBRS; or
- (b) with respect to S&P, the minimum required ratings for the S&P Option then in effect pursuant to the Interest Rate Swap Agreement.

**"Retained Interest"** means the randomly selected Receivables with an aggregate Principal Balance equal to at least 5% of the Principal Balance of the Purchased Receivables, that the Seller will retain and the Principal Balance of which may be reduced over time by, amongst other things, amortisation, allocation of losses or defaults on the underlying Receivables.

**"Revolving Period"** means the period commencing on the Closing Date and ending on the Amortisation Date.

**"S&P"** means Standard & Poor's Credit Market Services Europe Limited, or any successor to its rating business.

**"Scottish Declaration of Trust"** means the declaration of trust to be granted by the Seller in favour of the Issuer pursuant to clause 3.4 (*Sale of Initial Purchased Receivables*) and clause 4.6 (*Sale of Additional Purchased Receivables*) of the Receivables Purchase Agreement.

**"Scottish Financing Contract"** means any Financing Contract entered into with either (a) Obligors who are (i) consumers and (ii) resident in Scotland or (b) Obligors where the relevant Financed Object is located in Scotland, to the extent that such Financing Contracts are governed by Scots law.

**"Scottish Receivables"** means all Purchased Receivables derived from Scottish Financing Contracts.

**"Scottish Trust"** means any trust in respect of Scottish Receivables constituted pursuant to the procedures referred to in the Receivables Purchase Agreement.

**"Scottish Trust Property"** means the benefit of the Scottish Receivables and all Collections received in respect of such Scottish Receivables, together with all funds, property, interest, right, title and proceeds, deriving from or relating to such Scottish Receivables which the Seller is required to hold on trust for the Issuer.

**"Scottish Vehicle Sales Proceeds"** means vehicle sale proceeds in respect of Scottish Receivables.

**"Scottish Vehicle Sales Proceeds Floating Charge"** means the Scots law governed floating charge granted by the Seller in favour of the Issuer in respect of the Scottish Vehicle Sales Proceeds pursuant to clause 3.4 of the Receivables Purchase Agreement.

**"Secured Obligations"** means all duties and liabilities of the Issuer which the Issuer has covenanted with the Trustee to pay to the Noteholders, the Couponholders and the other Transaction Creditors pursuant to clause 2 (*The Issuer's Covenant to Pay*) of the Deed of Charge.

**"Seller"** means FRB London.

**"Servicer"** means FRB London unless the engagement of FRB London as servicer of the Issuer is terminated in which case Servicer shall mean the replacement Servicer (if any).

**"Servicer Fee"** means:

- (a) in the case of the Servicer Fee to be paid on the first Payment Date falling on 20 February 2018, an amount equal to the Servicer Fee Rate applied to the Aggregate Initial Cut-Off Date Principal Balance divided by 365 and multiplied by 32 (being the number of calendar days between the Closing Date and 20 February 2018); and

- (b) for each subsequent Monthly Period, one-twelfth of the Servicer Fee Rate multiplied by the Aggregate Principal Balance as at the beginning of the preceding Monthly Period.

"**Servicer Fee Rate**" means 0.1% per annum.

"**Servicer Replacement Event**" means either of the following events:

- (a) any delay or failure (and such failure is (if capable of remedy) not remedied within three Business Days of notice of such failure being given) by the Servicer to duly observe or perform in any material respect any of its covenants or agreements which delay or failure materially and adversely affects the rights of the Issuer, the Trustee or the Noteholders, provided that such delay or failure of performance will not constitute a Servicer Replacement Event for a period of 150 days if such delay or failure was caused by an event beyond the reasonable control of the Servicer, an act of God or other similar occurrence; or
- (b) the Servicer suffers an Insolvency Event.

"**Servicing Agreement**" means the servicing agreement between the Servicer, the Issuer, the Seller, the Cash Manager and the Trustee dated on or about the Closing Date.

"**Servicing Report**" means the report so named prepared by the Servicer in accordance with paragraph 2 of part 8 (*Provision of information*) of schedule 1 (*Services to be Provided by the Servicer*) to the Servicing Agreement.

"**Servicing Report Delivery Failure**" will occur in the event that the Cash Manager does not receive, or there is a delay in the receipt of, some or all the information necessary for it to prepare the Investor Report in respect of any Calculation Date.

"**Servicing Report Performance Date**" means 12 February 2018, and, in respect of each subsequent calendar month, the 10<sup>th</sup> day of each calendar month or if this is not a Business Day, the next succeeding Business Day.

"**Signing Date**" means 22 January 2018.

"**South Africa**" means the Republic of South Africa.

"**Specified Cash Reserve Account Required Balance**" means an amount determined:

- (a) on the Closing Date, as being equal to 0.7% of the Aggregate Initial Cut-Off Date Principal Balance; or
- (b) on a Calculation Date, being equal to either:
- (i) on each Calculation Date prior to the end of the Revolving Period, 1.3% of the Aggregate Initial Cut-Off Date Principal Balance; or
- (ii) after the end of the Revolving Period, on each Calculation Date prior to the earlier of (x) the redemption in full of the Rated Notes or (y) the Payment Date on which the Principal Amount Outstanding of the Rated Notes becomes equal to or less than the balance standing to the credit of the Cash Reserve Account immediately prior to such Payment Date, 1.3% of the Aggregate Principal Balance as at the end of the immediately preceding Monthly Period subject to a minimum of 0.5% of the Aggregate Initial Cut-Off Date Principal Balance; or
- (iii) on each Calculation Date following the earlier of (x) the redemption in full of the Rated Notes, (y) the Payment Date on which the Principal Amount Outstanding of the Rated Notes becomes equal to or less than the balance standing to the credit of the Cash Reserve Account immediately prior to such Payment Date, or (z) the Payment Date preceding the Final Maturity Date, zero.

"**Standard Form Contract**" means the standard forms of Financing Contracts listed in schedule 6 to the Master Framework Agreement.

"**Sterling**", "**Pounds Sterling**", "**GBP**" and "**£**" denote the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

"**Subordinated Termination Payment**" means the excess of any Swap Termination Payment due and payable by the

Issuer to the Swap Counterparty under the Interest Rate Swap Agreement following termination of the Interest Rate Swap Agreement as a result of the occurrence of any Event of Default or Termination Event (other than a Tax Event, Force Majeure, Illegality (in each case as defined in the Swap Agreement) or an Additional Termination Event set out in parts 1(q)(i) to (iv) of the schedule to the Swap Agreement) where the Swap Counterparty is the Defaulting Party or the sole Affected Party (as applicable, and in each case as defined in the Swap Agreement) over any amounts paid by any Replacement Swap Counterparty to the Issuer in relation to such Event of Default or Termination Event.

**"Swap Agreement"** means the 1992 ISDA Master Agreement (Multicurrency - Cross Border), the associated schedule and the Swap Credit Support Document, in each case dated on or about the Closing Date and entered into between the Issuer and HSBC Bank plc.

**"Swap Amounts"** means, in respect of a Payment Date, amounts calculated pursuant to the terms of the Interest Rate Swap Agreement on such Payment Date, but excluding:

- (a) any transfers of Swap Collateral to be made under the Swap Credit Support Document;
- (b) any Swap Termination Payment then due to the Swap Counterparty;
- (c) any payments to be made in respect of any Replacement Swap Premium; and
- (d) any payments to be made by the Issuer to the Swap Counterparty in respect of Tax Credits (as defined in the Swap Agreement) received by the Issuer in respect of the Interest Rate Swap Agreement.

**"Swap Collateral"** means any collateral posted in accordance with the Swap Credit Support Document.

**"Swap Collateral Cash Account"** means the Sterling account in the name of the Issuer opened by the Issuer at the Account Bank into which cash amounts of Swap Collateral are transferred pursuant to the terms of the Swap Credit Support Document.

**"Swap Collateral Custody Account"** means an account in the name of the Issuer opened by the Issuer and located in England and Wales, into which securities are transferred as Swap Collateral pursuant to the terms of the Swap Credit Support Document.

**"Swap Counterparty"** means HSBC Bank plc, and in its capacity as interest rate swap counterparty pursuant to the Interest Rate Swap Agreement.

**"Swap Credit Support Document"** means the credit support annex to the Swap Agreement in the form of a 1995 ISDA Credit Support Annex (Transfer English Law).

**"Swap Guarantor"** means, in respect of the Swap Counterparty, such guarantor as may be appointed in accordance with the provisions of the Interest Rate Swap Agreement.

**"Swap Termination Payment"** means a payment due to the Swap Counterparty by the Issuer or a payment due to the Issuer by the Swap Counterparty, including interest that may accrue thereon, under the Interest Rate Swap Agreement as a result of the termination of the Interest Rate Swap Agreement due to the occurrence of an Event of Default or Termination Event (in each case as defined in the Swap Agreement). For the avoidance of doubt, any such payment shall include any amount due to the Swap Counterparty under the Interest Rate Swap Agreement where the Swap Counterparty is the Defaulting Party or the Affected Party (in each case as defined in the Swap Agreement) but shall exclude any Subordinated Termination Payment.

**"TARGET2"** means the Trans-European Automated Real-time Gross settlement Express Transfer system.

**"TARGET2 Day"** means any day on which TARGET2 is open.

**"Tax Authority"** means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world, including H.M. Revenue & Customs (and any successor thereto).

**"Taxes"** means any present or future taxes, levies, duties, charges, fees, deductions or withholdings of any nature whatsoever (and whatever called) imposed, assessed or levied by any competent fiscal authority having power to tax, and

shall include any interest or penalties which may attach as a consequence of failure to pay on the due date and/or non-payment, and "Tax", "Taxation", "taxes", "tax" and similar words shall be construed accordingly.

"**Temporary Global Note**" means in respect of each Class of Notes the temporary global bearer note without Coupons or talons attached as more specifically described in Condition 2 (*Form, Denomination and Title*).

"**Transaction Creditors**" means the Noteholders, the Couponholders, the Trustee, any Receiver, the Paying Agent, the Agent Bank, the Account Bank, the Cash Manager, the Corporate Services Provider, the Servicer, the Back-up Servicer, the Swap Counterparty, the Expenses Loan Provider, any Appointee and any other Person expressed from time to time to be a Transaction Creditor.

"**Transaction Documents**" means the Trust Deed, the Deed of Charge, the Paying Agency Agreement, the Cash Management Agreement, the Account Agreement, the Swap Agreement, the Interest Rate Swap Agreement, the Receivables Purchase Agreement, the Servicing Agreement, the Back-up Servicing Agreement, the Corporate Services Agreement, the Assignment in Security and the Scottish Declaration of Trust, the Scottish Vehicle Sales Proceeds Floating Charge, the Amendment and Restatement Deed relating to a Collection Accounts Declaration of Trust, the Collection Accounts Declaration of Trust, the Class A and B Note Purchase Agreement, the Class C and D Note Purchase Agreement, the Expenses Loan Agreement, the Master Framework Agreement and the Issuer-ICSDs Agreement.

"**Transaction Parties**" means the Issuer, the Seller, the Servicer, the Corporate Services Provider, the Cash Manager, the Back-up Servicer, the Account Bank, the Trustee, the Paying Agent, the Class A and B Note Purchaser, the Class C and D Note Purchaser, the Agent Bank, the Swap Counterparty, the Expenses Loan Provider and any other party to a Transaction Document and "**Transaction Party**" means any of them.

"**Trust Deed**" means the Trust Deed dated on or about the Closing Date and entered into by the Issuer and the Trustee.

"**Trustee**" means HSBC Corporate Trustee Company (UK) Limited.

"**UK**" or "**the United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.

"**United Kingdom Tax Authority**" means Her Majesty's Revenue & Customs.

"**U.S. Risk Retention Rules**" means the rule under which the securities offered by this Prospectus may not be sold to, or for the account or benefit of, any U.S. person (as defined in Regulation RR (17 C.F.R part 246) implementing the risk retention requirements of section 15g of the U.S. Securities Exchange Act of 1934, as amended;

"**Value Added Tax**" and "**VAT**" mean:

- (a) in the United Kingdom, value added tax as provided for in the Value Added Tax Act 1994 ("**VATA**") (as amended or re-enacted in each case from time to time) and legislation supplemental thereto;
- (b) in any EU Member State (as defined in section 96 VATA), the tax levied in any such EU Member State pursuant to the Council Directive of 28 November 2006 on the harmonisation of the laws of the EU Member States relating to turnover taxes - common system of value added tax: uniform basis of assessment - Directive 2006/112/EC; and
- (c) outside the United Kingdom and any EU Member State, any tax of a similar nature to value added tax (including, without limitation, sales tax),

in each case, at the rate in force when the relevant supply is made, and includes any tax of a similar nature substituted for, or levied in addition to, such tax.

"**VAT Adjustment Amount**" means an amount to be paid by the Servicer to the Issuer pursuant to the Servicing Agreement, being an amount equal to the reduction in the amount of VAT payable (either by way of Regulation 38 of the Value Added Tax Regulations 1995 or by way of bad debt relief under s36 VATA) to HM Revenue & Customs by the Seller in respect of Financed Objects following the termination or enforcement of the relevant Financing Contracts, net of any additional VAT payable to HM Revenue & Customs by the Seller in respect of any subsequent disposal of Financed Objects.

"**VAT Component**" means the amount of each payment made in respect of a Receivable which represents payment in



respect of the VAT charged on the original sale of the Financed Object to which the Receivable relates.

**"Volcker Rule"** means Section 13 of the Bank Holding Company Act of 1956, as amended, and the applicable rules and regulations thereunder.

**"Voluntarily Terminated Receivable"** means a Purchased Receivable in relation to which a Voluntary Termination has been exercised.

**"Voluntary Termination"** means the termination of a Regulated Financing Contract by the relevant Obligor pursuant to section 99 of the CCA at any time before the last payment thereunder falls due.

**"Weighted Average Effective Rate"** means the weighted average of the Effective Rates applicable to the Purchased Receivables in the Portfolio.

**"Weighted Average Original LTV"** means the weighted average of the Original LTVs of the Purchased Receivables in the Portfolio.

**"Weighted Average Remaining Term"** means the weighted average of the outstanding time to maturity under each of the Purchased Receivables in the Portfolio.

In this Glossary of Defined Terms words denoting the singular number only shall also include the plural number and vice versa, words denoting one gender only shall include the other genders and words denoting individuals only shall include firms and corporations and vice versa.

For the avoidance of doubt and unless the context otherwise requires, any references to **"ratings"** or **"rating"** in this Prospectus are to ratings assigned by the specific Rating Agencies only.

## 2. FORM, DENOMINATION AND TITLE

- 2.1 The issue of the Class A Notes is in an aggregate principal amount of £507,500,000.00, the issue of the Class B Notes is in an aggregate principal amount of £21,500,000.00, the issue of the Class C Notes is an aggregate principal amount of £11,000,000.00 and the issue of the Class D Notes is an aggregate principal amount of £3,780,000.00 (each a **"Principal Amount"**).
- 2.2 The Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will initially each be represented by a temporary global note in bearer form (a **"Temporary Global Note"**) without Coupons or receipts attached. The Temporary Global Note for each class of Notes will be exchangeable for Notes represented by a permanent global note in bearer form (a **"Permanent Global Note"**) without Coupons or receipts attached. The Temporary Global Note and the Permanent Global Note for each class of Notes shall together be referred to as the **"Global Note"**. The Temporary Global Notes and the Permanent Global Notes shall be kept with a common safekeeper (the **"Common Safekeeper"**) for Clearstream, Luxembourg and Euroclear on the Closing Date. Upon deposit of the Temporary Global Notes, Clearstream, Luxembourg or Euroclear (as the case may be) will credit each subscriber of each of the Notes with the principal amount of Notes equal to the aggregate principal amount thereof for which it had subscribed and paid. The Temporary Global Notes and the Permanent Global Notes bear the signature of a director of the Issuer and will be authenticated by an authorised signatory of HSBC Bank plc as the Paying Agent.
- 2.3 Interests in each Temporary Global Note are exchangeable 40 days after the Closing Date provided certification of non-U.S. beneficial ownership by the relevant Noteholders has been received for interests in a Permanent Global Note (which will also be kept with the Common Safekeeper) representing the Notes, without Coupons or receipts attached. On exchange of a Temporary Global Note for a Permanent Global Note, the Permanent Global Note will remain kept with the Common Safekeeper. The Permanent Global Notes will only be exchangeable for Definitive Notes in certain limited circumstances described below.
- 2.4 The interests in the Notes are transferable in accordance with the rules and procedures for the time being of Clearstream, Luxembourg and Euroclear, as appropriate.
- 2.5 If, while any of the Notes are represented by a Permanent Global Note, (i) either Clearstream, Luxembourg or Euroclear is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing

system acceptable to the Trustee is then in existence; or (ii) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political sub-division thereof) or of any United Kingdom Tax Authority or in the interpretation or administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will on the next Payment Date be required to make any deduction or withholding for or on account of Tax from any payment in respect of the Notes which would not be required were such Notes in definitive form, then the Issuer will issue Definitive Notes in respect of the Notes in exchange for the whole outstanding interest in each Permanent Global Note at the request of the bearer of the Permanent Global Note against presentation and surrender of the Permanent Global Note to the Paying Agent.

- 2.6 Definitive Notes (which, if issued, will be issued in minimum denominations of £100,000 and higher integral multiples of £1,000 will be serially numbered and will be issued in bearer form with Coupons, receipts for payments of principal and talons for other coupons and receipts attached. Title to the Definitive Notes, Coupons and receipts shall pass by delivery.
- 2.7 The holder of any Note, Coupon or receipt shall (to the fullest extent permitted by applicable laws) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Note, Coupon or receipt, as the case may be, regardless of any notice of ownership, theft or loss, of any trust or other interest therein or of any writing thereon.

### **3. STATUS AND RANKING OF THE NOTES**

- 3.1 The Notes and the Coupons constitute limited recourse, direct, unconditional, unsubordinated and secured obligations of the Issuer. In respect of payments of interest or principal respectively, the Class A Notes rank *pari passu* without preference or priority amongst themselves and, following the delivery of an Enforcement Notice, ahead of the Class B Notes, the Class C Notes and the Class D Notes. The Class B Notes rank *pari passu* without preference or priority amongst themselves and, following the delivery of an Enforcement Notice, ahead of the Class C Notes and the Class D Notes. The Class C Notes rank *pari passu* without preference or priority amongst themselves and, following the delivery of an Enforcement Notice, ahead of the Class D Notes. The Class D Notes rank *pari passu* without preference or priority amongst themselves.
- 3.2 The Notes and the Coupons are obligations solely of the Issuer and are not obligations of, or guaranteed by, any of the other parties to the Transaction Documents.
- 3.3 Prior to the occurrence of an Enforcement Event and the delivery of an Enforcement Notice, the Issuer is required to apply the Available Distribution Amount in accordance with the Pre-Enforcement Order of Priority (as set out in Condition 8 (*Payments*) and Condition 7 (*Redemption and Cancellation*)) and, following the delivery of an Enforcement Notice, in accordance with the Post-Enforcement Order of Priority (as set out in Condition 12 (*Enforcement*)).
- 3.4 The Trust Deed contains provisions requiring the Trustee to have regard to the interests of the Noteholders equally as regards all rights, powers, trusts, authorities, duties and discretions of the Trustee (except where expressly provided otherwise), but requiring the Trustee in any such case (a) to have regard only to the interests of the holders of the Class A Notes then outstanding if, in the Trustee's opinion, there is a conflict between the interests of the Class A Noteholders and (ii) the interests of the Class B Noteholders and/or the Class C Noteholders and/or the Class D Noteholders, and (b) subject to (a), to have regard only to the interests of the holders of the Class B Notes then outstanding if, in the Trustee's opinion, there is a conflict between (i) the interests of the Class B Noteholders and (ii) the interests of the Class C Noteholders and/or the Class D Noteholders and (c) subject to (a) and (b), to have regard only to the interests of the holders of the Class C Notes then outstanding if, in the Trustee's opinion, there is a conflict between (i) the interests of the Class C Noteholders and (ii) the interests of the Class D Noteholders.
- 3.5 So long as any of the Notes remain outstanding, in the exercise of its rights, authorities and discretions under the Transaction Documents, the Trustee is not required to have regard to the interests of the other Transaction Creditors.
- 3.6 The Trust Deed contains provisions limiting (i) the power of the Class B Noteholders, the Class C Noteholders and the Class D Noteholders, *inter alia*, to request or direct the Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class A Noteholders, (ii) the

power of the Class C Noteholders and the Class D Noteholders, *inter alia*, to request or direct the Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class B Noteholders and (iii) the power of the Class D Noteholders, *inter alia*, to request or direct the Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class C Noteholders.

- 3.7 Except in certain circumstances involving a Basic Terms Modification, the Trust Deed contains (a) no such limitation on the powers of the Class A Noteholders by reference to the effect thereof on the interests of the Class B Noteholders, the Class C Noteholders and the Class D Noteholders, the exercise of which will be binding on all such Class B Noteholders, Class C Noteholders and Class D Noteholders, irrespective of the effect thereof on their interests, (b) no such limitation on the powers of the Class B Noteholders by reference to the effect thereof on the interests of the Class C Noteholders and Class D Noteholders, the exercise of which will be binding on the Class C Noteholders and the Class D Noteholders, irrespective of the effect thereof on their interests and (c) no such limitation on the powers of the Class C Noteholders by reference to the effect thereof on the interests of the Class D Noteholders, the exercise of which will be binding on the Class D Noteholders, irrespective of the effect thereof on their interests.
- 3.8 In determining whether the exercise of any right, power, trust, authority, duty or discretion by it under or in relation to the Conditions and/or any of the Transaction Documents is materially prejudicial to the interests of the Class A Noteholders or the Class B Noteholders or the Class C Noteholders or the Class D Noteholders, the Trustee may take into account any things it may consider necessary and/or appropriate in its absolute discretion.
- 3.9 Only the assets comprised in the Issuer Security shall be available to satisfy the Secured Obligations. Accordingly, recourse against the Issuer in respect of such obligations shall be limited to the assets comprised in the Issuer Security and the claims of the Transaction Creditors against the Issuer under the Transaction Documents may only be satisfied to the extent of the assets comprised in the Issuer Security. Once the assets comprised in the Issuer Security have been realised and the proceeds applied in accordance with the applicable Priority of Payments:
- (a) neither the Trustee nor any other Transaction Creditor shall be entitled to take any further steps or other action against the Issuer to recover any sums due but unpaid;
  - (b) all claims in respect of any sums due but unpaid shall be extinguished; and
  - (c) neither the Trustee nor any Transaction Creditor shall be entitled to petition or take any other step for the winding up or administration of the Issuer.

#### 4. SECURITY

As continuing security for the payment or discharge of the Secured Obligations and, subject always to the right of redemption of the Issuer, the Issuer will create in favour of the Trustee, for itself and on trust for the Transaction Creditors, in accordance with the terms of the Deed of Charge:

- (a) an assignment by way of first fixed security of the benefit of all of its present and future right, title and interest to, in and under the Purchased Receivables;
- (b) an assignment by way of first fixed security of the benefit of all of its present and future right, title and interest to, in and under:
  - (i) the Charged Transaction Documents;
  - (ii) each other contract, agreement, deed (other than the Trust Deed, the Deed of Charge and Assignment in Security) and document, present and future, to which the Issuer is or becomes a party, including, without limitation, all rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder from time to time, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof;

- (c) first fixed security over the benefit of all of its present and future right, title and interest to, in and under any Permitted Investment;
- (d) a first fixed charge over the benefit of each account of the Issuer, other than any such accounts situated outside England and Wales (and any replacement therefor), and all of its other book debts, present and future, the proceeds of the same and all other moneys due and payable to it and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing; and
- (e) a first floating charge over the whole of the Issuer's undertaking and all the Issuer's property, assets and rights whatsoever and wheresoever present and future including, without limitation, the Issuer's uncalled capital except to the extent otherwise charged or secured under the Deed of Charge (but excepting from such exclusion the whole of the Issuer's undertaking, property, assets and rights situated in Scotland or otherwise governed by Scots law, all of which are charged by the floating charge thereby created).

In addition, as continuing security for the payment or discharge of the Secured Obligations, the Issuer will grant the Assignment in Security in favour of the Trustee, for itself and on trust for the Transaction Creditors.

## 5. ISSUER COVENANTS

5.1 Save as permitted by the Transaction Documents, the Issuer Covenants contain certain covenants in favour of the Trustee on behalf of itself and the Transaction Creditors from the Issuer which, amongst other things, restrict the ability of the Issuer to create or incur any indebtedness, dispose of assets or change the nature of its business.

5.2 The Issuer undertakes:

- (a) to provide to the Trustee, the Rating Agencies and the Paying Agent or to procure that the Trustee, the Rating Agencies and the Paying Agent are provided with:
  - (i) the Financial Statements; and
  - (ii) the Investor Reports; and
- (b) to publish or procure the publication of the Investor Reports on Bloomberg (or another similar financial news, media or web site), except to the extent that disclosure of such financial information would at that time breach any law, regulation, Irish Stock Exchange requirement or rules of any applicable regulatory body to which the Issuer is subject.

The Financial Statements and the Investor Reports will be available for inspection by the Noteholders during normal business hours on any Business Day, and upon written request, at the specified office for the time being of the Paying Agent. Upon receipt of such information, the Paying Agent will, upon written request by a Noteholder to the Paying Agent and confirmation satisfactory to the Paying Agent of its current holding of the Notes, post to it the most recent Investor Report held by the Paying Agent.

5.3 So long as any of the Notes remains outstanding, the Issuer will procure that there will at all times be a cash manager (which shall, on the Closing Date, be HSBC Bank plc) in respect of the monies from time to time standing to the credit of the Accounts and any other account of the Issuer from time to time. Any appointment of a substitute cash manager by the Issuer is subject to, amongst other things, such substitute cash manager entering into an agreement in the form of (and on substantially the same terms as) the Cash Management Agreement and such appointment not resulting in a ratings downgrade. Any resignation by the Cash Manager or a termination of its appointment will not take effect until a substitute cash manager, previously approved in writing by the Trustee, has been duly appointed.

5.4 The counterparties of the Transaction Documents are not liable to procure the Issuer's compliance with its covenants.

## 6. INTEREST

### *Period of Accrual*

6.1 The Notes shall bear interest from (and including) the Closing Date. Each Note (or, in the case of the

redemption of part only of a Note, that part only of such Note) shall cease to bear interest from its due date for redemption, unless, upon due presentation, payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any decree or judgment) at the rate applicable to such Note up to (but excluding) the date on which, on presentation of such Note, payment in full of the relevant amount of principal is made or (if earlier) seven days after the date notice is duly given by the Paying Agent to the holder thereof (in accordance with Condition 18 (*Notices to Noteholders*)) that upon presentation thereof, such payment will be made, provided that upon such presentation, such payment is in fact made.

#### *Payment Dates and Interest Periods*

- 6.2 Interest on the Notes is payable monthly in arrears on the 20<sup>th</sup> of each calendar month, or, in the event such day is not a Business Day, then on the next following Business Day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day (each a "**Payment Date**") in respect of the Interest Period ending immediately prior thereto.

In the event of an Interest Shortfall arising in respect of any Note (excluding the Rated Notes), the payment of such Accrued Interest remaining unpaid on that Payment Date shall be deferred to the next Payment Date, subject to the provisions of this Condition 6.2 provided that the payment of such shortfall shall not be deferred beyond the Final Maturity Date or any other date on which the Notes are to be redeemed in full. On such date, any amount which has not by then been paid in full shall become due and payable. Interest will accrue on any such deferred Accrued Interest.

#### *Interest Rates on the Notes*

- 6.3 The interest rate applicable to the Class A Notes shall be equivalent to LIBOR (as determined in accordance with the provisions below) for Sterling deposits plus 0.80% per annum (the "**Class A Margin**"), provided that the interest rate applicable to the Class A Notes shall be zero if LIBOR plus the Class A Margin is an amount less than zero (the "**Class A Notes Interest Rate**") for each Interest Period. The interest rate applicable to the Class B Notes shall be equivalent to LIBOR (as determined in accordance with the provisions below) for Sterling deposits plus 1.40% per annum (the "**Class B Margin**"), provided that the interest rate applicable to the Class B Notes shall be zero if LIBOR plus the Class B Margin is an amount less than zero (the "**Class B Notes Interest Rate**") for each Interest Period. The interest rate applicable to the Class C Notes shall be 15% per annum (the "**Class C Notes Interest Rate**") for each Interest Period. The interest rate applicable to the Class D Notes shall be 20% per annum (the "**Class D Notes Interest Rate**") for each Interest Period. Each of the Class A Notes Interest Rate, Class B Notes Interest Rate, Class C Notes Interest Rate and the Class D Notes Interest Rate shall be an "**Interest Rate**".

LIBOR will be determined by the Agent Bank on the following basis:

- (a) at or about 11.00 a.m. on the Payment Date on which the relevant Interest Period commences (each such day, a "**LIBOR Determination Date**"), the Agent Bank will determine the offered quotation to leading banks in the London interbank market ("**LIBOR**") for one month Sterling deposits or, in the case of the first Interest Period from (and including) the Closing Date to (but excluding) the Payment Date falling in February 2018, an interpolation of the LIBOR for 1 week and 1 month Sterling deposits (rounded to three decimal places with the mid-point rounded up) by reference to the display designated as the Intercontinental Exchange Benchmark Association rate as quoted on the Reuters <LIBOR=> page (the "**LIBOR Screen Rate**"). If the agreed page is replaced or service ceases to be available, the Agent Bank may specify another page or service displaying the appropriate rate after consultation with the Paying Agent; or
- (b) if the LIBOR Screen Rate is not then available for Sterling or for the Interest Period, the arithmetic mean of the rates (rounded to five decimal places with the mid-point rounded up) as supplied to the Agent Bank at its request by the principal London office of each of The Royal Bank of Scotland plc, Barclays Bank plc and Citibank N.A. or such other banks (being at least three in number) which the Agent Bank (in consultation with the Paying Agent) may appoint from time to time (the "**Reference Banks**") at or about 11.00 a.m. on the LIBOR Determination Date for the offering of deposits to the leading banks in the London interbank market in Sterling and for a period comparable to the Interest Period for the Notes. If on any LIBOR Determination Date, only two of three of the Reference Banks provide such offered quotations to the Agent Bank, the relevant rate shall be

determined, arithmetic mean of the rates (rounded to five decimal places with the mid-point rounded up), on the basis of the offered quotations of those Reference Banks providing such quotations. If on any such LIBOR Determination Date, only one quotation is provided as requested, the rate for that LIBOR Determination Date will be the arithmetic mean (rounded to five decimal places with the mid-point rounded up) of the rates quoted by alternative leading banks in London selected by the Agent Bank; or

- (c) if no Reference Bank has been appointed, or if Reference Banks have been appointed but none provides the Agent Bank with the relevant quotations under paragraph (b) above, the Agent Bank shall determine the relevant rate using the quotations of two other banks which shall be treated as Reference Banks for such purpose on that LIBOR Determination Date; or
- (d) if either or both of the additional bank or banks under paragraph (b) or (c) above (as applicable) does not or do not provide the relevant quotations, then the Agent Bank shall determine the relevant quotation to be the most recent rate for that class which was determined under either paragraph (a) or (b) above.

6.4 The amount of interest payable in respect of each Class A Note and Class B Note on any Payment Date shall be calculated not later than on the first day of the Interest Period by applying the Class A Notes Interest Rate or the Class B Notes Interest Rate, as applicable, for the relevant Interest Period to the Principal Amount Outstanding of the Class A Notes or the Principal Amount Outstanding of the Class B Notes, as applicable, immediately prior to the relevant Payment Date and multiplying the result by the actual number of days in the relevant Interest Period divided by 365, and rounding the result to the nearest full pence, all as determined by the Agent Bank. The amount of interest payable in respect of each Class C Note and Class D Note on any Payment Date shall be calculated not later than on the first day of the Interest Period by applying the Class C Notes Interest Rate or the Class D Notes Interest Rate, as applicable, for the relevant Interest Period to the Principal Amount Outstanding of the relevant class of Notes immediately prior to the relevant Payment Date and multiplying the result by the actual number of days in the relevant Interest Period divided by 365, and rounding the result to the nearest full pence, all as determined by the Agent Bank.

6.5 The Agent Bank will, on the LIBOR Determination Date in relation to each Interest Period, calculate the amount of interest (the "**Interest Amount**") payable in respect of each Class A Note, Class B Note, Class C Note and Class D Note for such Interest Period. The Interest Amount in respect of the Class A Notes (the "**Class A Notes Interest Amount**") will be calculated by applying the Class A Notes Interest Rate for such Interest Period to the Principal Amount Outstanding of such Class A Notes during such Interest Period, multiplying the product by the actual number of days in such Interest Period divided by 365, and rounding the resulting figure to the nearest £0.01 (half of £0.01 being rounded upwards). The Interest Amount in respect of the Class B Notes (the "**Class B Notes Interest Amount**") will be calculated by applying the Class B Notes Interest Rate for such Interest Period to the Principal Amount Outstanding of such Class B Notes during such Interest Period, multiplying the product by the actual number of days in such Interest Period divided by 365, and rounding the resulting figure to the nearest £0.01 (half of £0.01 being rounded upwards). The Interest Amount in respect of the Class C Notes (the "**Class C Notes Interest Amount**") will be calculated by applying the Class C Notes Interest Rate for such Interest Period to the Principal Amount Outstanding of such Class C Notes during such Interest Period, multiplying the product by the actual number of days in such Interest Period divided by 365, and rounding the resulting figure to the nearest £0.01 (half of £0.01 being rounded upwards). The Interest Amount in respect of the Class D Notes (the "**Class D Notes Interest Amount**") will be calculated by applying the Class D Notes Interest Rate for such Interest Period to the Principal Amount Outstanding of such Class D Notes during such Interest Period, multiplying the product by the actual number of days in such Interest Period divided by 365, and rounding the resulting figure to the nearest £0.01 (half of £0.01 being rounded upwards).

*Publication of Interest Rates, Interest Amounts and other Notices*

6.6 As soon as practicable after receiving notification thereof, the Issuer will cause each Class A Notes Interest Amount, Class B Notes Interest Amount, Class C Notes Interest Amount and Class D Notes Interest Amount applicable for the relevant Interest Period and the immediately succeeding Payment Date to be notified to the Noteholders in accordance with Condition 18 (*Notices to Noteholders*). The Class A Notes Interest Amount, the Class B Notes Interest Amount, the Class C Notes Interest Amount and the Class D Notes Interest Amount and the Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the Interest Period.

*Notification to be Final*

- 6.7 All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6, whether by the Agent Bank shall (in the absence of manifest error) be binding on the Issuer and all Noteholders, the Agent Bank, the Trustee and (in the absence of wilful default, gross negligence or fraud) no liability to the Trustee or the Noteholders shall attach to the Issuer, the Agent Bank or the Trustee in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions under this Condition 6.

*Agent Bank*

- 6.8 The Issuer shall ensure that, so long as any of the Notes remain outstanding, there shall at all times be three Reference Banks and an Agent Bank, such Agent Bank approved in writing by the Trustee. The Agent Bank may not resign until a successor so approved by the Trustee has been appointed. The initial Reference Banks shall be the principal office of each of The Royal Bank of Scotland plc, Barclays Bank plc and Citibank N.A.. In the event the principal office of any such bank being unable or unwilling to continue to act as a Reference Bank, the Issuer shall appoint such other bank.

**7. REDEMPTION AND CANCELLATION**

*Final Redemption*

- 7.1 Unless previously redeemed in full as provided in this Condition 7, the Issuer shall redeem each Note at its Principal Amount Outstanding, together with Accrued Interest (if any), on the Payment Date falling in 20 June 2025 (the "**Final Maturity Date**"). The actual final redemption date of the Notes may be earlier than the Final Maturity Date.
- 7.2 The Issuer may not redeem the Notes in whole or in part prior to the Final Maturity Date except as provided below in Conditions 7.3 (*Redemption and Cancellation - Optional Redemption in Whole*) and 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*), but without prejudice to Condition 11 (*Enforcement Events*).

*Optional Redemption in Whole*

- 7.3 The Issuer may, at its option and with not less than 30 calendar days' prior notice in writing given to the Noteholders in accordance with Condition 18 (*Notice to Noteholders*), redeem all (but not some only) of the Notes at their Principal Amount Outstanding together with any Accrued Interest that has accrued prior to the date fixed for redemption, on any Payment Date:
- (a) from (and including) the Payment Date falling immediately before the Payment Date on which the Issuer is to make any payment in respect of the Notes and the Issuer would be required to make a deduction or withholding on account of any Tax in respect of such payment;
  - (b) from (and including) the Payment Date falling immediately before the Payment Date on which the Issuer would, by virtue of a change in the tax law of the Issuer's jurisdiction of incorporation (or the application or official interpretation of such tax law), be affected by such change so that it would incur a liability to tax in respect of an amount which is materially greater than the Issuer's Retained Profit; or
  - (c) on which the Aggregate Principal Balance is less than 10% of the Aggregate Initial Cut-Off Date Principal Balance of the Purchased Receivables.

Provided that, prior to the publication of any notice of redemption pursuant to Condition 7.3 (a) or (b) above, the Trustee may require the Issuer to use best efforts to procure the substitution as principal debtor pursuant to the Trust Deed, the Deed of Charge and in respect of the Notes of a company approved by the Trustee incorporated in some other jurisdiction. In the event that the Issuer, having used best efforts, is not able to arrange such substitution before the first Payment Date on which the Issuer is permitted to redeem the Notes pursuant to Condition 7.3 (a) or (b) above, the Issuer may redeem all the Notes in accordance with Condition 7.3 (a) or (b) above.

Prior to the publication of any notice of redemption pursuant to this Condition 7, the Issuer shall deliver to the Trustee (A) a certificate signed by two directors of the Issuer stating that the circumstances permitting such redemption prevail and setting out details of such circumstances, (B) an opinion in form and substance satisfactory to the Trustee of independent legal advisers of recognised standing confirming that such certificate is correct and (C) a certificate signed by two directors of the Issuer stating that it will have the funds available on the date fixed for redemption to satisfy all of the obligations of the Issuer under the Trust Deed, the Notes and any other liability of the Issuer ranking senior thereto or *pari passu* therewith pursuant to the Pre-Enforcement Order of Priority on such date. The Trustee shall be entitled to accept such certificates, opinion and evidence without further enquiry or any liability whatsoever to any person as sufficient for the purposes of this Condition 7, in which event they shall be conclusive and binding on the Noteholders and on the other Transaction Creditors.

#### *Mandatory Redemption in Part*

- 7.4 Unless previously redeemed and cancelled, after the Revolving Period each Note is subject to mandatory early redemption in part *pari passu* on a *pro rata* basis with other Notes of the same class on each Payment Date on which the Available Distribution Amount is available for this purpose pursuant to the Priority of Payments and applied in accordance with Condition 8 (*Payments*).

In the event that the Cash Manager does not receive, or there is a delay in the receipt of, some or all the information necessary for it to prepare the Investor Report in respect of any Calculation Date (a "**Servicing Report Delivery Failure**") but the Cash Manager determines that the amounts standing to the credit of the Issuer Account and the Cash Reserve Account (provided that amounts standing to the credit of the Cash Reserve Account shall only be used to the extent that the amounts standing to the credit of the Issuer Account are insufficient to make the required payments and, then only, amounts standing to the credit of the Cash Reserve Account shall only be used to the extent required to make the required payments) are sufficient to pay the interest due on the Rated Notes and any other amount ranking in priority thereto pursuant to the Pre-Enforcement Order of Priority of which it has been notified by the relevant Transaction Parties, the Cash Manager shall:

- (a) prepare the payment report (the "**Provisional Payments Report**") on or prior to the relevant Calculation Date based on the information provided in the last available Servicing Report and calculate:
  - (i) the amounts of interest due and payable on the Rated Notes and any other amount ranking in priority thereto which it is aware of at such time, on the immediately following Payment Date pursuant to the Pre-Enforcement Order of Priority; and
  - (ii) the fees payable to third parties pursuant to items (a) to (f) inclusive of the Pre-Enforcement Order of Priority, which shall be assumed to be equal to the amount specified in the last available Investor Report;
- (b) promptly inform the Issuer and the Swap Counterparty; and
- (c) take such commercially reasonable steps, together with the Issuer and the Account Bank, as are required to apply the amounts standing to the credit of the Issuer Account in or towards payment of any interest amount in respect of the Rated Notes and any other payment ranking in priority thereto pursuant to the Pre-Enforcement Order of Priority, on the relevant Payment Date.

In such circumstances, the Available Distribution Amount shall not be distributed and no amounts of interest (save as described in (c) above) or principal shall be payable on any class of Notes on such Payment Date or any subsequent Payment Date until, in each case, the earliest of (i) the Payment Date immediately following the provision of a Servicing Report by the Servicer (or any replacement servicer) on a Servicing Report Performance Date, (ii) the Final Maturity Date and (iii) the delivery of an Enforcement Notice (in which case payments will be made pursuant to the Post-Enforcement Order of Priority). Interest will continue to accrue on the Principal Amount Outstanding of the Notes deferred pursuant to this Condition 7.4 in accordance with the provisions set out in Condition 6 (*Interest*).

#### *Mandatory Redemption following Enforcement Notice*



- 7.5 Following the service of an Enforcement Notice, any Available Distribution Amount shall be applied by or on behalf of the Trustee in accordance with the Post-Enforcement Order of Priority.

*Note Principal Payment*

- 7.6 Any principal amounts received under Condition 7.1 (*Redemption and Cancellation - Final Redemption*), Condition 7.3 (*Redemption and Cancellation – Optional Redemption in Whole*), Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*) or Condition 7.5 (*Redemption and Cancellation - Mandatory Redemption following Enforcement Notice*) to be applied in redemption of the Notes, in whole or in part, shall upon such application, redeem the aggregate Principal Amount Outstanding of each such Note (the "**Note Principal Payment**") (rounded down to the nearest penny).

*Calculation of Note Principal Payments and Principal Amount Outstanding*

- 7.7 Two Business Days before each Payment Date (each a "**Calculation Date**"), the Issuer (or the Paying Agent on its behalf) shall determine or shall cause to be determined:
- (a) if there is to be a partial or whole redemption of the Notes pursuant to Condition 7.1 (*Redemption and Cancellation - Final Redemption*), Condition 7.3 (*Redemption and Cancellation - Optional Redemption in Whole*), Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*) or Condition 7.5 (*Redemption and Cancellation - Mandatory Redemption following Enforcement Notice*), the amount of any Note Principal Payment due on such Payment Date; and
  - (b) the Principal Amount Outstanding of each Note on such Payment Date (after deducting any Note Principal Payment to be paid on that Payment Date).

Each determination by or on behalf of the Issuer (or the Agent Bank on its behalf) of any Note Principal Payment and the Principal Amount Outstanding of the Notes shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

Within five Business Days after each Payment Date, the Issuer (or the Listing Agent on its behalf) will notify the Irish Stock Exchange of the aggregate Principal Amount Outstanding of each class of Notes.

*Notice of Redemption*

- 7.8 Any such notice as referred to in Condition 7.3 (*Redemption and Cancellation – Optional Redemption in Whole*) shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the relevant Notes at the applicable amounts specified in these Conditions.

*Cancellation*

- 7.9 All Notes redeemed in full together with payment of all Accrued Interest shall be cancelled upon redemption or surrender, and may not be reissued or resold.

*Purchase*

- 7.10 The Issuer may not at any time purchase any of the Notes.

## **8. PAYMENTS**

*Principal*

- 8.1 Whilst the Notes are in definitive form, payments of principal shall, subject to Condition 8.7 (*Payments - Endorsement of Payments*) below, be made only against presentation and (provided that payment is made in full) surrender of Notes at the specified office of the Paying Agent outside the United States by transfer to a Sterling account maintained by the payee with a bank in London. The Paying Agent will cause each amount of principal payment to be notified to the Paying Agent, the Trustee and the Noteholders in accordance with Condition 18 (*Notices to Noteholders*) as soon as practicable after the relevant Calculation Date. The Agent Bank shall notify the Trustee, Paying Agent and the Noteholders of such amount at the same time at which the Issuer notifies them of the Class A Notes Interest Rate, the Class B Notes Interest Rate, the Class C Notes Interest Rate, the Class D Notes Interest Rate, the Class A Notes Interest Amount, the Class B Notes Interest Amount, the Class C Notes

Interest Amount and the Class D Notes Interest Amount in accordance with Condition 6 (*Interest*).

*Interest*

- 8.2 Whilst the Notes are in definitive form, interest payments, subject to Condition 8.7 (*Payments - Endorsement of Payments*) below, shall be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the specified office of any Paying Agent outside the United States in the manner described in Condition 8.1 (*Payments - Principal*) above.

*Payments subject to fiscal laws*

- 8.3 All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 10 (*Taxes*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

*Unmatured Coupons void*

- 8.4 On the due date for final redemption of any Notes or early redemption in full of such Notes pursuant to Condition 7.3 (*Redemption and Cancellation - Optional Redemption in Whole*) or Condition 11 (*Enforcement Events*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

*Payments on Business Days*

- 8.5 If the due date for payment of any amount in respect of any Notes or Coupon is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day on which banks are open for business in such place of presentation and shall not be entitled to any further interest or other payment in respect of any such delay.

*Payments other than in respect of matured Coupons*

- 8.6 Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the specified office of the Paying Agent outside the United States.

*Endorsement of payments*

- 8.7 If the Paying Agent makes a payment in respect of any Notes (otherwise than against presentation and surrender of a Coupon) or a partial payment in respect of any Coupon presented to it for payment, the Paying Agent will endorse on such Note a statement indicating the amount and date of such payment.

*Pre-Enforcement Order of Priority*

- 8.8 Prior to the delivery of an Enforcement Notice, the Available Distribution Amount will be applied by the Cash Manager in making the following payments in the following order of priority but in each case only to the extent that all payments of a higher priority have been made in full (the "**Pre-Enforcement Order of Priority**"):
- (a) *first*, amounts payable in respect of Taxes (if any) by the Issuer, any tax filing fees and any annual return or exempt company status fees;
  - (b) *second*, amounts due in respect of fees and any other amounts or liabilities payable by the Issuer to the Trustee under the Trust Deed, these Conditions or any other Transaction Document, including fees and all other liabilities payable to its Appointees and VAT (if any);
  - (c) *third, pari passu and pro rata*, fees and any other amounts or liabilities payable (and VAT, if any) (i) to the Corporate Services Provider under the Corporate Services Agreement, (ii) to the Servicer as the Servicer Fee, (iii) to the Back-up Servicer under the Back-up Servicing Agreement, (iv) to the Paying Agent under the Paying Agency Agreement, (v) to the Agent Bank under the Paying Agency Agreement, (vi) to the Cash Manager under the Cash Management Agreement, (vii) to the Account Bank under the Account Agreement, (viii) as Administrator Recovery Incentive payments, (ix) to the Rating Agencies as monitoring fees, (x) to the ICSDs under the Issuer-ICSDs Agreement and (xi) to the custodian of the Swap Collateral Custody Account;

- (d) *fourth, pari passu and pro rata*, amounts payable in respect of other administration costs and expenses of the Issuer including without limitation, any costs relating to the listing of the Notes and any auditors' fees;
- (e) *fifth*, to pay the Issuer Retained Profit (less any amount in respect of corporation tax thereon payable in accordance with (the first item above) to the Issuer);
- (f) *sixth, pari passu and pro rata*, all Swap Amounts and all Swap Termination Payments (but excluding any Subordinated Termination Payments) payable by the Issuer to the Swap Counterparty;
- (g) *seventh, pari passu and pro rata*, to the Class A Noteholders the Class A Notes Interest Amount (including without limitation, overdue interest);
- (h) *eighth*, to the Class B Noteholders *pari passu and pro rata* accrued and unpaid Class B Notes Interest Amount (including, without limitation, overdue interest);
- (i) *ninth*, amounts payable to the Cash Reserve Account, until the balance of the Cash Reserve Amount is equal to the Specified Cash Reserve Account Required Balance;
- (j) *tenth*, prior to the expiration of the Revolving Period, in purchasing Additional Receivables;
- (k) *eleventh*, prior to the expiration of the Revolving Period, to the extent not used under item (j), amounts payable to the Issuer Account to be recorded to the Replenishment Ledger up to an amount equal to the Replenishment Amount;
- (l) *twelfth*, after the end of the Revolving Period, *pari passu and pro rata*, to the Class A Noteholders for such Payment Date the Class A Principal Payment Amount;
- (m) *thirteenth*, after the end of the Revolving Period, *pari passu and pro rata*, to the Class B Noteholders, an aggregate amount equal to the Class B Principal Payment Amount for such Payment Date;
- (n) *fourteenth*, to the Expenses Loan Provider, all amounts due and payable to the Expenses Loan Agreement;
- (o) *fifteenth*, to the Class C Noteholders *pari passu and pro rata* amounts payable in respect of the accrued and unpaid Class C Notes Interest Amount (including, without limitation, overdue interest and interest accrued on any deferred Accrued Interest);
- (p) *sixteenth*, after the end of the Revolving Period, *pari passu and pro rata*, to the Class C Noteholders, an aggregate amount equal to the Class C Principal Payment Amount for such Payment Date;
- (q) *seventeenth*, to the Class D Noteholders *pari passu and pro rata*, amounts payable in respect of accrued and unpaid interest on the Class D Notes (including, without limitation, overdue interest);
- (r) *eighteenth*, after the end of the Revolving Period, *pari passu and pro rata*, to the Class D Noteholders, an aggregate amount equal to the Class D Principal Payment Amount for such Payment Date;
- (s) *nineteenth, pari passu and pro rata*, all Subordinated Termination Payments then payable by the Issuer to the Swap Counterparty under the Interest Rate Swap Agreement; and
- (t) *twentieth*, in payment of all amounts remaining after making the payments and provisions provided for in items (a) to (s) above as Deferred Purchase Price to the Seller.

All Swap Collateral, all income, interest and distributions thereon and all proceeds of redemption or liquidation thereof, all Tax Credits (as defined in the Swap Agreement) received by the Issuer on account of payments by the Swap Counterparty and all Replacement Swap Premium received from a Replacement Swap Counterparty (collectively, "**Excluded Amounts**") are excluded from the Available Distribution Amounts and shall not be applied in accordance with the Priority of Payments. All Excluded Amounts comprising Swap Collateral or Replacement Swap Premium will be applied in accordance with the provisions of the Cash Management Agreement and any Excluded Amounts comprising Tax Credits shall be paid by the Cash Manager into the

Swap Collateral Cash Account, as applicable, and shall be paid as soon as possible to the Swap Counterparty in satisfaction *pro tanto* of the Issuer's liability to pay such amounts to the Swap Counterparty under the Interest Rate Swap Agreement.

## 9. AMORTISATION EVENTS

An Amortisation Event will occur upon the occurrence of any of the following:

- (a) on any Calculation Date, the Delinquency Ratio exceeds 2.5%;
- (b) on any Calculation Date, the Cumulative Net Loss Ratio exceeds 3.0%;
- (c) on two consecutive Payment Dates, the amount credited to the Issuer Account and recorded in the Replenishment Ledger after payments being made in accordance with the Pre-Enforcement Order of Priority is greater than 10% of the Aggregate Initial Cut-Off Date Principal Balance;
- (d) the occurrence of an Event of Default or Termination Event (in each case as defined in the Swap Agreement) under the Interest Rate Swap Agreement;
- (e) the occurrence of an Enforcement Event;
- (f) the occurrence of a Notification Event;
- (g) on any Payment Date, the Cash Reserve Account is not funded up to the Specified Cash Reserve Account Required Balance, provided that, if on any Payment Date during the first 4 months following the Closing Date the balance of the Cash Reserve Account is between 0.7% and 1.3% of the Aggregate Initial Cut-Off Date Principal Balance, no Amortisation Event shall occur pursuant to this paragraph (g);
- (h) on any Calculation Date, (i) the Performing Principal Outstanding Amount of the Loans plus any amounts available to be used under item (j) of the Pre-Enforcement Order of Priority is less than (ii) the aggregate Principal Amount Outstanding of the Rated Notes and the Class C Notes as of such Calculation Date.

## 10. TAXES

All payments of principal and interest in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United Kingdom or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall have no obligation to pay any additional amount.

If the Issuer becomes subject at any time to any taxing jurisdiction other than the United Kingdom, references in these Conditions to the United Kingdom shall be construed as references to the United Kingdom and/or such other jurisdiction.

Each Noteholder agrees or is deemed to agree that the Issuer and any other relevant party to the Transaction Documents may (1) provide any information or documentation collected from an investor and any other information concerning any investment in the Notes to the US Internal Revenue Service and any other relevant tax authority, and (2) take such other steps as they deem necessary or helpful to comply with FATCA and any applicable inter-governmental agreement ("**IGA**"). Notwithstanding any other provision in these Conditions, the Issuer and any Paying Agent or other party shall be permitted to withhold or deduct any amounts required by FATCA, pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the US Internal Revenue Service or otherwise ("**FATCA withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a Noteholder for any FATCA withholding deducted or withheld by the Issuer or a Paying Agent. The Issuer may hire advisors, such advisors and persons to be paid in accordance with the applicable Priority of Payments (including legal advisors and an accounting firm) or other persons experienced in such

matters to assist the Issuer in complying with the terms of the applicable IGA and with FATCA. The Issuer will take all reasonable actions consistent with the law and its obligations under this Condition to ensure that the Issuer satisfies any and all obligations under the applicable IGA and any future local implementing legislation.

If FATCA withholding tax is required, the provisions of Condition 7.3 (*Optional Redemption in Whole*) may apply and the Issuer may redeem the Notes as more fully set out in Condition 7.3.

## 11. ENFORCEMENT EVENTS

### *Enforcement Events*

11.1 The following shall be Enforcement Events in respect of the Notes (each an "**Enforcement Event**"):

- (a) **Non-payment:** the Issuer fails to pay any amount of principal or interest (other than (i) any interest which falls to be deferred pursuant to Condition 6.2 (Payment Dates and Interest Periods), or (ii) any principal which falls to be deferred pursuant to Condition 7.4 (Redemption and Cancellation – Mandatory Redemption in Part)) in respect of the Notes, within two Business Days after the due date for payment thereof; or
- (b) **Breach of other obligations:** the Issuer defaults in the performance or observance of any other obligation, condition, provision, representation or warranty binding upon or made by it under or in respect of the Notes, these Conditions or any Transaction Document (other than any obligation whose breach would give rise to the Enforcement Event provided for in Condition 11.1(a) above) and such default (A) is, in the opinion of the Trustee, incapable of remedy or (B) is, in the opinion of the Trustee, capable of remedy but remains unremedied for 30 days or such longer period as the Trustee may agree after the Trustee has given written notice thereof to the Issuer; or
- (c) **Insolvency:** an Insolvency Event occurs with respect to the Issuer; or
- (d) **Unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, these Conditions, the Trust Deed or any other Transaction Document,

provided that in the case of the occurrence of any of the events mentioned in paragraph (b) above, the Trustee shall have certified in writing to the Issuer that the happening of such event is in its opinion materially prejudicial to the interests of the Most Senior Class Outstanding.

### *Delivery of Enforcement Notice*

11.2 If an Enforcement Event occurs and is continuing, the Trustee may at its discretion and shall:

- (a) if so requested in writing by the holders of at least 25% of the Principal Amount Outstanding of the Most Senior Class Outstanding; or
- (b) if so directed by an Extraordinary Resolution of the holders of the Most Senior Class Outstanding,

deliver a notice to the Issuer declaring the Notes immediately due and payable (an "**Enforcement Notice**"). Upon receipt of such notice, the Issuer shall forward a copy thereof to the Rating Agencies.

### *Conditions to delivery of Enforcement Notice*

11.3 Notwithstanding Condition 11.2 (*Enforcement Events - Delivery of Enforcement Notice*) above, the Trustee shall not be obliged to deliver an Enforcement Notice unless it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities to which it may thereby become liable or which it may incur by so doing.

### *Consequences of delivery of Enforcement Notice*

11.4 Upon the delivery of an Enforcement Notice, the Notes shall thereby become immediately due and payable without further action or formality at their Principal Amount Outstanding together with any Accrued Interest and the Issuer Security shall become enforceable by the Trustee in accordance with the Deed of Charge. The Trustee,

the Noteholders and the other Transaction Creditors will have recourse only to the assets comprised in the Issuer Security. Once the assets comprised in the Issuer Security have been realised and the proceeds applied in accordance with the applicable Priority of Payments:

- (a) neither the Trustee nor any other Transaction Creditor shall be entitled to take any further steps or other action against the Issuer to recover any sums due but unpaid;
- (b) all claims in respect of any sums due but unpaid shall be extinguished; and
- (c) no Transaction Creditor (other than the Trustee) shall be entitled to petition or take any other step for the winding up or administration of the Issuer.

*Limited Recourse*

- 11.5 The recourse of the Transaction Creditors against the Issuer is limited, as more particularly described in the Trust Deed and the Deed of Charge.

*Limitation on action*

- 11.6 Only the Trustee shall be entitled to petition or take any other step for the winding up or the administration of the Issuer or for the enforcement of the assets constituting the Issuer Security.

## **12. ENFORCEMENT**

*Proceedings*

- 12.1 The Trustee may, at its discretion and without further notice, at any time institute such proceedings and/or take any other steps as it thinks fit to enforce its rights under the Transaction Documents and, at any time after the Issuer Security shall have become enforceable, take such steps as it thinks fit to enforce the Issuer Security. The Trustee shall not be bound to take any such proceedings or steps unless:

- (a) so requested in writing by the holders of at least 25% of the Principal Amount Outstanding of the Most Senior Class Outstanding; or
- (b) so directed by an Extraordinary Resolution of the holders of the Most Senior Class Outstanding,

and in any such case, only if it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities to which it may thereby become liable or which it may incur by so doing.

*Restrictions on disposal of Issuer's assets*

- 12.2 If an Enforcement Notice has been delivered by the Trustee otherwise than by reason of non-payment of any amount due in respect of the Notes, the Trustee will not be entitled to dispose of the Issuer Security or any part thereof unless either:

- (a) a sufficient amount would be realised to allow payment in full of all amounts owing to the Noteholders, the Couponholders and in respect of all other liabilities of the Issuer senior thereto or *pari passu* therewith in accordance with the Post-Enforcement Order of Priority; or
- (b) the Trustee has received advice, which shall be binding on the Noteholders and the other Transaction Creditors, from an investment bank or other financial adviser selected by the Trustee (the costs of such advice to be borne by the Issuer), (and if the Trustee is unable to obtain such advice having made reasonable efforts to do so this Condition shall not apply) that (i) the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing to the Noteholders and Couponholders in accordance with the Post-Enforcement Order of Priority and (ii) the resulting shortfall will be greater than the shortfall resulting from such disposal, and

the Trustee shall not be bound to take any steps in relation to this Condition 12.2 (*Enforcement - Restrictions on disposal of Issuer's assets*) unless the Trustee shall have been indemnified and/or secured and/or pre-funded to

its satisfaction against all liabilities to which it may thereby become liable or which it may incur by so doing.

*Post-Enforcement Order of Priority*

- 12.3 After the delivery of an Enforcement Notice, the Available Distribution Amount and any other amounts received or recovered by the Trustee in respect of the Issuer Security (other than any Swap Collateral (and any income, interest and distributions thereon and all proceeds of redemption or liquidation thereof) will be applied by or on behalf of the Trustee in making the following payments in the following order of priority but in each case only to the extent that all payments of a higher priority have been made in full (the "**Post-Enforcement Order of Priority**"):
- (a) *first, pari passu and pro rata*, (i) any remuneration then due and payable to any receiver of the Issuer and all costs, expenses, charges and other liabilities incurred by such receiver and (ii) any fees and all other amounts and liabilities payable by the Issuer to the Trustee under these Conditions, the Trust Deed and any other Transaction Document including fees and all other liabilities payable to its Appointees and VAT (if any);
  - (b) *second, pari passu and pro rata*, fees and any other amounts or liabilities payable (and VAT, if any) (i) to the Corporate Services Provider under the Corporate Services Agreement, (ii) to the Servicer as the Servicer Fee, (iii) to the Back-up Servicer under the Back-up Servicing Agreement, (iv) to the Paying Agent under the Paying Agency Agreement, (v) to the Agent Bank under the Paying Agency Agreement, (vi) to the Cash Manager under the Cash Management Agreement, (vii) to the Account Bank under the Account Agreement, (viii) to the custodian of the Swap Collateral Custody Account and (ix) as Administrator Recovery Incentive payments;
  - (c) *third, pari passu and pro rata*, amounts payable (a) to the Rating Agencies as monitoring fees and (b) to the ICSDs under the Issuer-ICSDs Agreement;
  - (d) *fourth, pari passu and pro rata*, amounts payable in respect of other administration costs and expenses of the Issuer including without limitation, any costs relating to the listing of the Notes and any auditors' fees;
  - (e) *fifth*, all outstanding amounts payable in respect of the Issuer Retained Profit;
  - (f) *sixth*, all Swap Amounts and all Swap Termination Payments (but excluding any Subordinated Termination Payments) payable by the Issuer to the Swap Counterparty;
  - (g) *seventh, pari passu and pro rata* to the Class A Noteholders:
    - i. amounts payable in respect of accrued and unpaid Class A Notes Interest Amount (including, without limitation, overdue interest); and
    - ii. an amount equal to the Principal Amount Outstanding of the Class A Notes until the Class A Notes have been redeemed in full;
  - (h) *eighth, pari passu and pro rata* to the Class B Noteholders:
    - i. amounts payable in respect of accrued and unpaid Class B Notes Interest Amount (including, without limitation, overdue interest); and
    - ii. an amount equal to the Principal Amount Outstanding of the Class B Notes until the Class B Notes have been redeemed in full;
  - (i) *ninth, pari passu and pro rata* to the Class C Noteholders:

- i. amounts payable in respect of accrued and unpaid Class C Notes Interest Amount (including, without limitation, overdue interest and interest accrued on any deferred Accrued Interest); and
  - ii. an amount equal to the Principal Amount Outstanding of the Class C Notes until the Class C Notes have been redeemed in full;
- (j) *tenth, pari passu and pro rata*, all Subordinated Termination Payments then payable by the Issuer to the Swap Counterparty under the Interest Rate Swap Agreement;
- (k) *eleventh, pari passu and pro rata* to the Class D Noteholders:
- i. amounts payable in respect of accrued and unpaid Class D Notes Interest Amount (including, without limitation, overdue interest); and
  - ii. an amount equal to the Principal Amount Outstanding of the Class D Notes until the Class D Notes have been redeemed in full; and
- (l) *twelfth*, in payment of all amounts remaining after making the payments and provisions provided for in items (a) to (k) above as Deferred Purchase Price to the Seller.

### 13. PRESCRIPTION

Claims for principal shall become void unless the relevant Notes are presented for payment within 10 years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

### 14. REPLACEMENT OF NOTES

Should a Global Note become lost, stolen, damaged or destroyed, then it may be replaced at the specified office of the Paying Agent, subject to all applicable laws and Irish Stock Exchange requirements, upon payment by the claimant of the costs arising in connection thereto. The Issuer may require proof of a declaration of exemption and/or adequate security prior to replacement. In the event of damage, the relevant Global Note shall be surrendered before a replacement is issued.

### 15. TRUSTEE AND AGENTS

#### *Trustee's Right to Indemnity*

- 15.1 Under the Trust Deed, the Deed of Charge and these Conditions, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid any costs and expenses incurred by it in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

#### *Trustee Not Responsible for Loss or for Monitoring*

- 15.2 The Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security or any documents of title thereto being uninsured or inadequately insured or being held by or to the order of the Trustee or by any person on behalf of the Trustee. The Trustee shall not be responsible for monitoring the compliance of any of the other parties to the Transaction Documents with their obligations under the Transaction Documents.

#### *Appointment and Removal of Trustees*

- 15.3 The power of appointing a new trustee of the Trust Deed shall be vested in the Issuer, but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution of the holders of the Most Senior Class Outstanding in accordance with the Trust Deed. One or more persons may hold office as trustee or trustees of the Trust Deed, provided that such trustee or trustees shall be (if there is only one) or include (if there is more than one) a trust corporation. Any appointment of a new trustee of the Trust Deed shall as soon as practicable thereafter be notified by the Issuer to the Paying Agent, the Rating Agencies and the Noteholders. The holders of the Most Senior Class Outstanding shall together have the power exercisable by Extraordinary Resolution to remove any trustee or trustees for the time being of the Trust Deed. The removal of any trustee shall not become effective unless there remains a trustee of the Trust Deed (being a trust corporation)



in office after such removal, or a replacement trust corporation is appointed.

*Agents Solely Agents of Issuer*

- 15.4 In acting under the Paying Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards, or relationship of agency or trust for or with, any of the Noteholders or Couponholders.

*Initial Paying Agent and Agent Bank*

- 15.5 The initial Paying Agent and the Agent Bank is HSBC Bank plc whose initial specified office is 8 Canada Square, London E14 5HQ, United Kingdom. The Issuer reserves the right (subject to prior written approval of the Trustee) to vary or terminate the appointment of the Paying Agent or Agent Bank and to appoint a successor paying agent or agent bank and an additional or successor paying agents at any time having given not less than 30 days' notice to the Paying Agent or the Agent Bank (as the case may be) and the Noteholders pursuant to Condition 18 (*Notices to Noteholders*).

*Maintenance of Paying Agent*

- 15.6 The Issuer will at all times maintain a Paying Agent. The Issuer undertakes that, if the Notes are held outside the ICSDs, it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any change in the Paying Agent or in its specified offices shall promptly be given to the Noteholders in accordance with Condition 18 (*Notices to Noteholders*).

**16. MEETINGS OF NOTEHOLDERS**

*Convening*

- 16.1 The Trust Deed contains provisions for convening meetings of Noteholders of any class to consider matters relating to the Notes, including the modification of any provision of these Conditions or the Trust Deed or the provisions of any of the other Transaction Documents. Any such modification may be made if sanctioned by an Extraordinary Resolution subject as provided in Condition 16.4 (*Meeting of Noteholders - Relationship Between Classes*).

*Request from Noteholders*

- 16.2 A meeting of Noteholders of any class may be convened by the Trustee or the Issuer at any time and must be convened by the Issuer upon the request in writing of Noteholders holding not less than one-tenth of the Principal Amount Outstanding of the outstanding Notes of such class.

*Quorum*

- 16.3 The Trust Deed provides that the quorum at any meeting of the Noteholders of any class convened to vote on:
- (a) a resolution, other than an Extraordinary Resolution will be two or more persons present in person holding Notes of the relevant class and/or voting certificates and/or being proxies and holding or representing, in the aggregate, at least 25% of the aggregate Principal Amount Outstanding of the Notes of that class;
  - (b) an Extraordinary Resolution, other than an Extraordinary Resolution relating to a Basic Terms Modification, will be two or more persons present in person holding Notes of the relevant class and/or voting certificates and/or being proxies and holding or representing, in the aggregate, over 50% of the Principal Amount Outstanding of the outstanding Notes of that class or, at any adjourned meeting, two or more persons being or representing the Noteholders of that class, whatever the Principal Amount Outstanding of the outstanding Notes of that Class so held or represented; and
  - (c) an Extraordinary Resolution relating to a Basic Terms Modification will be two or more persons present

in person holding Notes of the relevant class and/or voting certificates and/or being proxies and holding or representing, in the aggregate, not less than 75% of the Principal Amount Outstanding of the Notes of the relevant class or, at any adjourned meeting, two or more persons present in person holding Notes of the relevant class and/or voting certificates and/or being proxies and holding or representing, in the aggregate, not less than 33.33% of the Principal Amount Outstanding of the outstanding Notes of that Class,

and no business (other than choosing a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the meeting;

If within half an hour from the time appointed for any meeting a quorum is not present, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case, it shall be adjourned for such period not being less than 14 days nor more than 42 days, as may be appointed by the Chairman.

At such adjourned meeting two or more persons present in person holding Notes of the relevant Class and/or voting certificates and/or being proxies and being or representing in the aggregate the Noteholders of the relevant Class whatever percentage of the aggregate Principal Amount Outstanding of the Notes of the relevant Class then Outstanding shall form a quorum and shall have the power to pass any resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had a quorum been present at such meeting, provided that if at such adjourned meeting the business to be transacted thereat includes any Basic Terms Modification, the quorum shall be two or more persons present in person holding Notes of the relevant Class and/or voting certificates and/or being proxies and being or representing in the aggregate the holders of not less than 33.33 % of the aggregate Principal Amount Outstanding of the Notes of the relevant Class then Outstanding.

Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders of the relevant class whether present or not.

#### 16.4 Relationship Between Classes

- (a) No Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one class of Notes shall be effective unless it is sanctioned by (i) an Extraordinary Resolution of the holders of each of the other classes of Notes and (ii) only in relation to any proposed amendment to the Priority of Payments the effect of which would be to adversely affect the interests of the Swap Counterparty in any way, the Swap Counterparty;
- (b) No Extraordinary Resolution to approve any matter other than a Basic Terms Modification that is passed by the holders of any class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of the other classes of Notes which rank senior to the relevant class of Notes unless the Trustee considers that the interests of the classes of Notes which rank senior to the relevant class of the Notes would not be materially prejudiced by the implementation of such Extraordinary Resolution;
- (c) Any resolution passed at a meeting of any class of Noteholders duly convened and held in accordance with the Trust Deed shall be binding upon all Noteholders of such class, whether or not present at such meeting and whether or not voting;
- (d) Subject to paragraphs (a) and (b) above, any resolution passed at a meeting of the Noteholders of any class which is duly convened and held as aforesaid shall also be binding upon the holders of all the other classes of Notes.

#### *Resolutions in Writing*

- 16.5 In addition, a resolution in writing signed by or on behalf of 100 per cent. of the Noteholders of the relevant class who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed will take effect as if it were an ordinary resolution or an Extraordinary Resolution of that class. Such a resolution in writing may be contained in one document or in several documents in the same form, each signed by or on behalf of one or more Noteholders, of the relevant class.

## 17. MODIFICATION, WAIVER AND SUBSTITUTION

### *Modification*

17.1 The Trustee may, without the consent or sanction of the Noteholders, the Couponholders or any other Transaction Creditors, concur with the Issuer and, subject to Conditions 17.4 and 17.5 (*Modification, Waiver and Substitution - Restriction on Power to Waive*), any other relevant party to any of the Transaction Documents in making or sanctioning any modification (other than a Basic Terms Modification) to these Conditions, the Trust Deed, the Notes or any of the other Transaction Documents to which it is a party or over which it has security if, in the Trustee's opinion, such modification:

- (a) will not be materially prejudicial to the interests of any class of Noteholders; or
- (b) is of a formal, minor, administrative or technical nature or to correct a manifest error.

The Trustee shall agree, without the consent or sanction of the Noteholders, the Couponholders or any other Transaction Creditors, with the Issuer and, subject to Condition 17.4 (*Modification, Waiver and Substitution - Restriction on Power to Waive*), any other relevant party to any of the Transaction Documents in making any modification other than a Basic Terms Modification to these Conditions, the Trust Deed, the Notes or the other Transaction Documents to which it is a party or over which it has security, or may give its consent to any event, matter or thing, if it is required to do so, subject to the satisfaction of specified conditions under the terms of these Conditions or the Transaction Documents provided such conditions are satisfied.

### *Waiver and Authorisation*

17.2 In addition, subject to this Condition 17 (*Modification, Waiver and Substitution*), the Trustee may, without the consent or sanction of the Noteholders, the Couponholders or any other Transaction Creditor, and without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Noteholders of any class shall not be materially prejudiced thereby, at any time authorise or waive, on such terms and subject to such conditions as it shall deem fit and proper, any breach or proposed breach by the Issuer or any other party thereto of any of the covenants or provisions contained in the Trust Deed, the Notes or any of the other Transaction Documents or determine that any condition, event or act which constitutes, or which with the giving of notice and/or the lapse of time and/or the issue of a certificate would constitute, an Enforcement Event shall not, or shall not subject to specified conditions, be treated as such for the purposes of the Trust Deed provided that (i) the Trustee shall not exercise such powers of waiver, authorisation or determination in contravention of any express direction given by an Extraordinary Resolution of the Most Senior Class Outstanding or a request in writing by the holders of not less than 25% in aggregate Principal Amount Outstanding of the Most Senior Class Outstanding (subject to Condition 17.3 (*Modification Waiver and Substitution - Waiver and Authorisation*)) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made and (ii) the Trustee shall not exercise such powers of waiver, authorization or determination in breach of clause 17.5 below. Any such waiver, authorisation or determination shall be binding on the Noteholders and unless the Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders and the Swap Counterparty in accordance with Condition 18 (*Notices to Noteholders*) and the Transaction Creditors in accordance with the Transaction Documents, as soon as practicable thereafter. In the event of a conflict between (i) the written request of the holders of not less than 25% in aggregate Principal Amount Outstanding of the Most Senior Class Outstanding and (ii) an Extraordinary Resolution of the holders of the same class of Notes, the instructions issued pursuant to the Extraordinary Resolution shall prevail.

17.3 In connection with any substitution of the principal debtor as is referred to in Condition 17.8 (*Modification, Waiver and Substitution - Substitution*), the Trustee may also agree, without the consent of the Noteholders or any other Transaction Creditor, to a change of the laws governing the Notes and/or the Transaction Documents, provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the holders of the Most Senior Class Outstanding.

### *Restriction on Power to Waive*

17.4 The Trustee shall not exercise any powers conferred upon it by this Condition 17 (*Modification, Waiver and*

*Substitution*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class Outstanding or of a request or direction in writing made by the holders of not less than 25% in aggregate Principal Amount Outstanding of the Most Senior Class Outstanding but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made.

- 17.5 The Trustee shall not exercise any powers conferred upon it by Condition 17.1 (*Modification, Waiver and Substitution - Modification*) or Condition 17.2 (*Modification, Waiver and Substitution - Waiver*) without the prior written consent of the Swap Counterparty if (i) the proposed variation, directly or indirectly, affects the Priority of Payments such that the interests of the Swap Counterparty are in any way adversely affected or (ii) the terms of any Transaction Document are amended and the effect of such amendment is to affect the amount, timing or priority of any payments or deliveries due from the Issuer to the Swap Counterparty or from the Swap Counterparty to the Issuer.

*Notification*

- 17.6 Unless the Trustee otherwise agrees, the Issuer shall cause any such authorisation, waiver, modification or determination to be notified to the Noteholders in accordance with Condition 18 (*Notices to Noteholders*), the Swap Counterparty and the other Transaction Creditors in accordance with the Transaction Documents, as soon as practicable after it has been made. In addition, so long as the Rated Notes are rated by any Rating Agency, any such modification shall be notified in writing by the Issuer to any such Rating Agency as soon as reasonably practicable thereafter.

*Binding Nature*

- 17.7 Any authorisation, waiver, determination or modification referred to in Condition 17.1 (*Modification, Waiver and Substitution – Modification*), Conditions 17.2 and 17.3 (*Modification Waiver and Substitution - Waiver*) shall be binding on the Noteholders and the other Transaction Creditors.

*Substitution*

- 17.8 The Trust Deed contains provisions under which any other company may, without the consent of the Noteholders or Couponholders, assume the obligations of the Issuer as principal debtor under the Trust Deed, the Deed of Charge and the Notes provided that certain conditions specified in the Trust Deed are fulfilled. Any such substitution of the Issuer shall be notified to Noteholders by the Issuer or the substitute issuer in accordance with Condition 18 (*Notices to Noteholders*).
- 17.9 No Noteholder or Couponholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Noteholder or (as the case may be) Couponholder.
- 17.10 Where, in connection with the exercise or performance by it of any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents (including, without limitation, in relation to any modification, waiver, authorisation, determination or substitution as referred to above), the Trustee is required to have regard to the interests of the Noteholders of any class, it shall have regard to the interests of the Noteholders of such class as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim from the Issuer or the Trustee or any other person, any indemnification or payment in respect of any Tax consequences of any such exercise upon individual Noteholders.

*Additional Right of Modification*

- 17.11 The Trustee shall be obliged, without any consent or sanction of the Noteholders, or, subject to the receipt of consent from any of the Transaction Creditors party to the Transaction Document being modified or any Transaction Creditor which, as a result of such amendment, would be further contractually subordinated to any other Transaction Creditor than would otherwise have been the case prior to such amendment, any of the other

Transaction Creditors, to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification) to these Conditions, the Notes or any other Transaction Document to which it is a party or in relation to which it holds security or enter into any new, supplemental or additional documents that the Issuer (in each case) considers necessary:

- (a) in order to enable the Issuer to comply with any requirements which apply to it under EMIR or MIFID II/MiFIR (as applicable), subject to receipt by the Trustee of a certificate issued by the Issuer or the Servicer on behalf of the Issuer certifying to the Trustee the requested amendments are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under EMIR or MIFID II/MiFIR (as applicable) and have been drafted solely to that effect and the Trustee shall be entitled to rely absolutely on such certification without any liability to any person for so doing;
- (b) in order to minimise or eliminate any withholding tax imposed on the Issuer as a result of the Foreign Account Tax Compliance Act ("FATCA") provisions of the U.S. Hiring Incentives to Restore Employment or any regulations or notices made thereunder, including (to the extent necessary) the entry into by the Issuer, or the termination of, an agreement with the United States Internal Revenue Service (the "IRS") to provide for an exemption to withhold for or on account of any tax imposed in accordance with FATCA provided, in each case, the Issuer certifies to the Trustee that such amendment is being made subject to and in accordance with this paragraph (upon which certification the Trustee will be entitled to conclusively rely without further enquiry and, absent any fraud, gross negligence or wilful default on the part of the Trustee, any liability);
- (c) in order to allow the Issuer to open additional accounts with an additional account bank or to move the Accounts to be held with an alternative account bank with the Minimum Rating, provided that the Issuer or the Servicer on behalf of the Issuer has certified to the Trustee that (i) such action would not have an adverse effect on the then current ratings of the Class A Notes and (ii) if a new account bank agreement is entered into, such agreement will be entered into on substantially the same terms as the Account Agreement provided further that if the Issuer or the Servicer determines that it is not practicable to agree terms substantially similar to those set out in the Account Agreement with such replacement financial institution or institutions and the Issuer or the Servicer on behalf of the Issuer certifies in writing to the Trustee that the terms upon which it is proposed the replacement bank or financial institution will be appointed are reasonable commercial terms taking into account the then prevailing current market conditions, whereupon a replacement agreement will be entered into on such reasonable commercial terms and the Trustee shall be entitled to rely absolutely on such certification without any liability to any person for so doing (notwithstanding that the fee payable to the replacement account bank may be higher or other terms may differ materially from those on which the previously appointed bank or financial institution agreed to act);
- (d) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time;

provided that in relation to any amendment under this Condition 17.11(d):

- (i) the Issuer or the Servicer on behalf of the Issuer certifies in writing to the Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and
- (ii) in the case of any modification to a Transaction Document proposed by any of the Seller, the Servicer, the Swap Counterparty or the Account Bank, in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):
  - (A) the Seller, the Servicer, the Swap Counterparty and/or the Account Bank, as the case may be, certifies in writing to the Issuer and the Trustee that such modification is necessary for the purposes described in paragraph (d)(ii)(x) and/or (y) above (and in the case of a certification provided to the Issuer, the Issuer shall certify to the Trustee that it has received the same from the Seller, the Servicer, the Swap Counterparty and/or the Account Bank, as the case may be);

- (B) either:
- (1) the Seller, the Servicer, the Swap Counterparty and/or the Account Bank, as the case may be, obtains from each of the Rating Agencies written confirmation (or certifies in writing to the Issuer and the Trustee that it has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at each of the Rating Agencies) that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Rated Notes by such Rating Agency and would not result in any Rating Agency placing any Rated Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer and the Trustee; or
  - (2) the Issuer or the Servicer on behalf of the Issuer certifies in writing to the Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent); and
- (C) the Seller pays all costs and expenses (including legal fees) incurred by the Issuer and the Trustee or any other Transaction Party in connection with such modification; or
- (e) for the purpose of changing the base rate (in respect of the Rated Notes) from LIBOR to an alternative base rate (any such rate, an "**Alternate Base Rate**") and make such other amendments as are necessary or advisable in the reasonable judgement of the Issuer to facilitate such change ( "**Base Rate Modification**"), provided that:
- (i) the Servicer, on behalf of the Issuer, certified to the Trustee in writing that:
    - (A) such Base Rate Modification is being undertaken due to:
      - (1) a material disruption to LIBOR, an adverse change in the methodology of calculating LIBOR or LIBOR ceasing to exist or be published;
      - (2) the insolvency or cessation of business of the LIBOR administrator (in circumstances where no successor LIBOR administrator has been appointed);
      - (3) a public statement by the LIBOR administrator that it will cease publishing LIBOR permanently or indefinitely (in circumstances where no successor LIBOR administrator has been appointed that will continue publication of LIBOR);
      - (4) a public statement by the supervisor of the LIBOR administrator that LIBOR has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
      - (5) a public statement by the supervisor of the LIBOR administrator that means LIBOR may no longer be used or that its use is subject to restrictions or adverse consequences; or
      - (6) the reasonable expectation of the Servicer that any of the events specified in subparagraphs (1), (2), (3), (4) or (5) will occur or exist within six months of the proposed effective date of such Base Rate Modification; and
    - (B) such Alternative Base Rate is:
      - (1) a base rate published, endorsed, approved or recognised by the Bank or England, any

regulator in the United Kingdom or the European Union or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);

- (2) the Sterling Over Night Index Average or the Broad Treasuries Repo Financing Rate (or any rate which is derived from, based upon or otherwise similar to either of the foregoing);
- (3) a base rate utilised in a material number of publicly-listed new issues of Sterling-denominated asset backed floating rate notes prior to the effective date of such Base Rate Modification;
- (4) a base rate utilised in a publicly-listed new issue of Sterling-denominated asset backed floating rate notes where the originator of the relevant assets is an Affiliate of FirstRand Bank Limited; or
- (5) such other base rate as the Servicer reasonably determines,

(the certificate to be provided by the Issuer or the Servicer on behalf of the Issuer, the Seller, the Cash Manager, the Swap Counterparty, the Account Bank, and/or the relevant Transaction Party, as the case may be, pursuant to this Condition 17.11 being a "**Modification Certificate**"), provided that:

- (1) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Trustee;
- (2) the Modification Certificate in relation to such modification shall be provided to the Trustee both at the time the Trustee is notified of the proposed modification and on the date that such modification takes effect;
- (3) the consent of each Transaction Creditor which is party to the relevant Transaction Document or whose ranking in any Priority of Payments is affected has been obtained; and
- (4) the Issuer (or the Servicer on its behalf) certifies in writing to the Trustee (which certification may be in the Modification Certificate) that the Issuer has provided at least 30 calendar days' notice to the Noteholders of each class of the proposed modification in accordance with Condition 18 (*Notices to Noteholders*) and by publication on Bloomberg on the "Company News" screen relating to the Notes, and Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class Outstanding have not contacted the Issuer or Paying Agent in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Issuer or Paying Agent that such Noteholders do not consent to the modification.

For the avoidance of doubt, the Trustee shall be entitled to rely upon such Modification Certificate without further enquiry and, absent any fraud, gross negligence or wilful default on the part of the Trustee, any liability.

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class Outstanding have notified the Paying Agent or the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Most Senior Class Outstanding is passed in favour of such modification in accordance with Condition 16 (*Meetings of Noteholders*).

Objections made in writing other than through the applicable clearing system must be accompanied by

evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

- 17.12 Notwithstanding anything to the contrary in Condition 17.11 (*Additional Right of Modification*), the prior written consent of the Swap Counterparty shall be required for any modifications to Transaction Documents made pursuant to Condition 17.11 (*Additional Right of Modification*) if the modification (i) would affect the amount, timing or priority of any payments or deliveries due from the Issuer to the Swap Counterparty or from the Swap Counterparty to the Issuer, or (ii) would modify any of the Priority of Payments such that the interests of the Swap Counterparty are in any way adversely affected. In circumstances where the consent of the Swap Counterparty is not required pursuant to (i) or (ii) above, the Issuer (or the Servicer on its behalf) shall certify as such in writing to the Trustee, prior to the making of such amendment and the Trustee shall be entitled to rely absolutely on such certification without any liability to any person for so doing. The Issuer (or the Servicer on its behalf) shall certify to the Trustee that any amendment to be made pursuant to Condition 17.11 (*Additional Right of Modification*) will not result in any Transaction Creditor who is not otherwise providing its consent to such amendment being further contractually subordinated to any other Transaction Creditor and the Trustee shall be entitled to rely absolutely on such certification without any liability to any person for so doing.
- 17.13 Notwithstanding anything to the contrary in Condition 17.11 (*Additional Right of Modification*) or any Transaction Document:
- (a) when implementing any modification pursuant to Condition 17.11 (*Additional Right of Modification*) (save to the extent the Trustee considers that the proposed modification would constitute a Basic Terms Modification), the Trustee shall not consider the interests of the Noteholders, any other Transaction Creditor or any other person or evidence provided to it by the Issuer (or the Servicer on behalf of the Issuer) or the relevant Transaction Party, as the case may be, pursuant to Condition 17.11 (*Additional Right of Modification*) and shall not be liable to the Noteholders, any other Transaction Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and
- (b) the Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Trustee would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee in the Transaction Documents and/or these Conditions.
- 17.14 Any such modification shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable to:
- (a) so long as any of the Notes rated by the Rating Agencies remains outstanding, each Rating Agency;
- (b) the Transaction Creditors; and
- (c) the Noteholders in accordance with Condition 18 (*Notices to Noteholders*).

## **18. NOTICES TO NOTEHOLDERS**

### *Valid Notices and Date of Publication*

- 18.1 For so long as the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange require publication of such notices, notices to the Noteholders shall be valid if published in the Company Announcements section of the website of the Irish Stock Exchange (currently located at [www.ise.ie](http://www.ise.ie)). Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

### *Other Methods*

- 18.2 The Trustee may approve some other method of giving notice to the Noteholders if, in its opinion, that other method is reasonable having regard to market practice then prevailing and to the requirements of any stock



exchange on which Notes are then listed and provided that notice of that other method is given to the Noteholders in the manner required by the Trustee.

*Notices to Irish Stock Exchange and Rating Agencies*

- 18.3 A copy of each notice given in accordance with this Condition 18 (*Notices to Noteholders*) shall be provided to the Rating Agencies, the Swap Counterparty for so long as the Notes are listed on the Irish Stock Exchange and the guidelines of the Irish Stock Exchange so require, the Irish Stock Exchange.

The Prospectus dated 22 January 2018 relating to the issue of the Notes will be published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)).

**19. MISCELLANEOUS**

*Rounding*

- 19.1 For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005% being rounded up to 0.00001%).

*Third Party Rights*

- 19.2 These Conditions confer no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Conditions, but this does not affect any right or remedy of a third party which exists or is available aside from the Contracts (Rights of Third Parties) Act 1999.

*Governing Law*

- 19.3 The Notes and any non-contractual obligations arising out of or in connection with them are governed by the laws of England and Wales.

The place of performance and venue for legal proceedings is England. The English courts have jurisdiction for the annulment of any Global Note in the event of loss or destruction.

## UNITED KINGDOM TAXATION

*The following is a summary of the Issuer's understanding of the law and published practice in the United Kingdom as at the date of this document in relation to certain aspects of the United Kingdom taxation of payments in respect of, and of the issue and transfers of, the Notes. The comments do not deal with all United Kingdom tax aspects of acquiring, holding or disposing of the Notes and relate only to the position of persons who are absolute beneficial owners of the Notes who hold their Notes as investments. These comments may not apply to certain classes of Noteholders (such as dealers, certain professional investors or persons connected with the Issuer), to whom special rules may apply. The comments are made on the assumption that there will be no substitution of the Issuer pursuant to the Trust Deed and do not consider the tax consequences of any such substitution.*

*The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax position should consult their own professional advisors. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom are particularly advised to consult their professional advisors as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom. This summary only deals with the matters expressly set out below.*

### **(A) Withholding tax on payments of interest on the Notes**

For so long as the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the Irish Stock Exchange is currently such a "recognised stock exchange" for this purpose) interest payments on the Notes will be treated as a "payment of interest on a quoted Eurobond" within the meaning of section 882 of the Income Tax Act 2007. Accordingly, provided that the Notes remain so listed and admitted, payments of interest on the Notes will be made without deduction of, or withholding on account of, United Kingdom income tax.

Interest on the Notes may also be paid without deduction of, or withholding on account of, United Kingdom income tax where interest on the Notes is paid by a company (such as the Issuer) and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the beneficial owner of the interest is within the charge to United Kingdom corporation tax as regards the payment of interest, provided that HM Revenue & Customs has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of United Kingdom income tax.

In other cases, interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20%) subject to such relief as may be available under the provisions of any applicable double taxation treaty or any other exemption which may apply.

Interest on Notes having a maturity of less than one year may be paid without deduction of, or withholding on account of, United Kingdom income tax.

The references to "interest" are to "interest" as understood for the purposes of United Kingdom tax law. They do not take into account any different definition of "interest" or "principal" that may prevail under any other tax law or that may apply under the terms and conditions of the Notes or any related document. Noteholders should seek their own advice as regards the withholding tax treatment of any payment on the Notes which does not constitute "interest" or "principal" as those terms are understood in United Kingdom tax law.

### **(B) Further United Kingdom Income Tax Issues**

Interest on the Notes constitutes United Kingdom source income for tax purposes and, as such, may be subject to United Kingdom income tax or corporation tax by direct assessment even where paid without deduction or withholding for on account of United Kingdom income tax. However, interest with a United Kingdom source received without deduction or withholding on account of United Kingdom income tax will not be chargeable to United Kingdom tax in the hands of a Noteholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Noteholder (i) carries on a trade, profession or vocation wholly or partly in the United Kingdom in connection with which the interest is received or to which the Notes are attributable, or (ii) is a company carrying on a trade in the United Kingdom through a permanent establishment in connection with which the interest is received or to which the Notes are attributable. In such a

case, United Kingdom income tax or corporation tax may be levied on the branch, agency or permanent establishment, although there are exceptions for certain types of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such Noteholders.

#### *Accrued Income Scheme – Individual Noteholders*

A transfer of a Note by a Noteholder who is not within the charge to United Kingdom corporation tax and is resident in the United Kingdom or by a Noteholder who is not within the charge to United Kingdom corporation tax and is not resident in the United Kingdom but carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Note is attributable, may give rise to a charge to United Kingdom income tax in respect of an amount representing interest on the transferred Note which has accrued since the preceding Payment Date or on such amount as HM Revenue & Customs deems just and reasonable, depending on the terms of the relevant Notes. This amount will be taken into account and excluded in determining any capital gain or loss arising on a disposal (including redemption) of the Note.

#### *Taxation of chargeable gains - Individual Noteholders*

As the Notes are denominated in Sterling, they should be regarded by HM Revenue & Customs as "qualifying corporate bonds" within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992. Accordingly, a disposal (including a redemption) of Notes by an individual Noteholder who is resident in the United Kingdom or by an individual Noteholder who is not resident in the United Kingdom but carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable but in either case who is not within the charge to corporation tax, should not give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax.

#### *Provision of information*

Prospective Noteholders may wish to note that, in certain circumstances, HM Revenue & Customs has powers to obtain information and documents relating to the Notes, including in relation to issues of and other transactions in the Notes, interest, payments treated as interest and other payments derived from the Notes. This may include details of the beneficial owners of the Notes, of the persons for whom the Notes are held and of the persons to whom payments derived from the Notes are or may be paid. Information may be obtained from a range of persons including persons who effect or are party to such transactions on behalf of others, registrars and administrators of such transactions, the registered holders of the Notes, persons who make, receive or are entitled to receive payments derived from the Notes and persons by or through whom interest and payments treated as interest are paid or credited. Information obtained by HM Revenue & Customs may be provided to tax authorities in other jurisdictions (including the jurisdiction in which the Noteholder is resident for tax purposes).

Information relating to the Notes may also be required to be provided to HM Revenue & Customs by "financial institutions" under regulations made under section 136 of the Finance Act 2002 and section 222 of the Finance Act 2013, which implement the requirements of various automatic information exchange programmes, including Council Directive 2011/16/EU on Administrative Cooperation in the Field of Taxation (as amended) and the common reporting standard on automatic exchange of financial account information in tax matters developed by the Organisation for Economic Co-operation and Development, FATCA and arrangements between the United Kingdom and its overseas territories and Crown dependencies.

#### **(C) United Kingdom Corporation Tax Payers**

In general, Noteholders that are within the charge to United Kingdom corporation tax (including, for non-United Kingdom resident Noteholders, where Notes are acquired or held for the purposes of a trade carried on in the United Kingdom through a permanent establishment) will be charged to tax as income on all returns, profits or gains on the Notes (whether attributable to currency fluctuations or otherwise) in accordance with generally accepted practice as that term is defined for United Kingdom tax purposes.

#### **(D) Stamp Duty and Stamp Duty Reserve Tax**

No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue of the Notes or on the transfer of a Note.

#### **(E) Automatic exchange of information and the EU Savings Directive**

As of 1 January 2016 in the case of all Member States of the European Union ("**EU Member States**") except Austria (and, from 1 January 2017 in the case of Austria) a new automatic exchange of information regime came into effect (or will come into effect, in the case of Austria) under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU).

The new regime provides for the automatic exchange of financial account information between EU Member States, including categories of information specified in Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**Savings Directive**") as amended. The new exchange of information regime is generally broader in scope than the Savings Directive.

To preclude the overlap of the Savings Directive and the new exchange of information regime, the Savings Directive will be repealed from (i) 1 January 2017 in the case of Austria, and (ii) 1 January 2016 in the case of all other EU 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).

## SUBSCRIPTION AND SALE

### General

The Class A and B Note Purchaser has, upon the terms and subject to the conditions contained in the Class A and B Note Purchase Agreement, agreed to purchase and pay for the Purchase Notes at their issue price of 100% of their Principal Amount.

The Class A Notes and the Class B Notes are hereby referred to as the "**Purchase Notes**".

The Class C Notes and the Class D Notes will be subscribed by FirstRand International Limited.

In the Class A and B Note Purchase Agreement the Issuer and the Seller have also agreed to reimburse the Arrangers for certain of their fees, costs and expenses incurred in connection with the management of the issue of the Purchase Notes. The Issuer and the Seller have agreed to indemnify the Arrangers against certain liabilities in connection with the issue of the Purchase Notes.

The Class C and D Note Purchaser has agreed to purchase the Class C Notes and the Class D Notes pursuant to the Class C and D Note Purchase Agreement at their issue price of 100% of their respective Principal Amount.

### Selling Restrictions

#### *United States of America and its Territories*

Each of (i) the Class A and B Note Purchaser has represented and agreed with the Issuer that the Purchase Notes and (ii) the Class C and D Note Purchaser has represented and agreed with the Issuer that the Class C Notes and the Class D Notes in each case, have not been and will not be registered under the Securities Act and include notes in bearer form and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act.

Securities in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meaning given to them by the U.S. Internal Revenue Code and regulations thereunder.

The Notes may not be offered, sold or delivered (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the Offering and the Closing Date, within the United States or to, or for the account or the benefit of, U.S. persons, and only in accordance with Rule 903 of Regulation S; accordingly, neither the Class A and B Note Purchaser nor the Class C and D Note Purchaser nor their respective Affiliates, as defined in Rule 501(B) of Regulation S under the Securities Act ("**Reg S Affiliates**") nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts (within the meaning of Regulation S) or general solicitation or general advertising (within the meaning of Rule 502(c) under the Securities Act), with respect to the Notes, and such Class A and B Note Purchaser, the Class C and D Note Purchaser, their respective Reg S Affiliates and any such persons have complied and will comply with the offering restrictions requirement of Regulation S.

The Notes covered hereby have not been 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 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 completion of the distribution of Notes as determined and certified by the Arrangers, 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.

In addition, until 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

At or prior to confirmation of sales of the Notes, the Class A and B Note Purchaser will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect: The Notes covered hereby have not been and will not be registered under the Securities Act and may not be offered and sold within the United

States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, except in either case in accordance with Regulation S.

#### U.S. Risk Retention

Except with the express written consent of the Seller and only where such sale falls within the exemption provided by Section 20 of the U.S. Risk Retention Rules, the Notes offered and sold by the Issuer may not be purchased by any person except for persons that are not "U.S. persons" as defined in the U.S. Risk Retention Rules, or "Risk Retention U.S. Persons".

Prospective investors should note that, although the definition of "U.S. person" in the U.S. Risk Retention Rules is similar to the definition of "U.S. person" in Regulation S, the definitions are not identical and persons who are not "U.S. persons" under Regulation S may be "U.S. persons" under the U.S. Risk Retention Rules.

Each purchaser of Notes, including beneficial interests in such Notes will, by its acquisition of a Note or a beneficial interest in a Note, be deemed, and in certain circumstances will be required, to have made the following representations: that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Notes or a beneficial interest in such Notes for its own account and not with a view to distribute such Notes, or, in the case of a distributor, will only distribute such Notes to a person who is not a U.S. Risk Retention Person, and (3) is not acquiring such Notes or a beneficial interest in such Notes as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10% Risk Retention U.S. Person limitation in the exemption provided for under Section 20 of the U.S. Risk Retention Rules).

None of the Arrangers will have any liability for compliance with the U.S. Risk Retention Rules by the Issuer or the Seller or any purchaser or potential purchaser or any other person.

Each of the Arrangers, the Issuer and the Seller will rely on the deemed representations made by each prospective investor as provided in this Prospectus, without further investigation.

Because of the foregoing restrictions, purchasers of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such securities offered and sold.

#### *Prohibition of Sales to EEA Retail Investors*

Each of (i) the Class A and B Note Purchaser in relation to the Purchase Notes and (ii) the Class C and D Note Purchaser in relation to the Class C Notes and the Class D Notes, has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

#### *United Kingdom*

In relation to (i) the Purchase Notes, the Class A and B Note Purchaser has further represented to and agreed with the Issuer and (ii) the Class C Notes and the Class D Notes, the Issuer and the Class C and D Note Purchaser have represented and agreed with each other, in each case, that:

- (a) they have only communicated or caused to be communicated and will only communicate or cause to be communicated an 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 any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- (b) they have 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.

#### *Ireland*

Each of (i) the Class A and B Note Purchaser in relation to the Purchase Notes and (ii) the Class C and D Note Purchaser in relation to the Class C Notes and the Class D Notes, has represented and agreed with the Issuer, in each case, that:

- (b) it has not underwritten the issue of, or placed the Notes, otherwise than in conformity with the provisions of S.I. No. 60 of 2007, European Communities (Markets in Financial Instruments) Regulations 2007 (MiFID Regulations), including, without limitation, Parts 6, 7, and 12 thereof and the provisions of the Investor Compensations Act 1998;
- (c) it has not underwritten the issue of, or placed, the Notes, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942 – 2015 (as amended) and any codes of conduct rules made under Section 117(1) thereof;
- (d) it has not and will not offer or sell any Notes, or placed, or do anything in Ireland in respect of the Notes otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 and any rules issued under Section 51 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005, by the Central Bank of Ireland;
- (e) it has not underwritten the issue of, placed or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014) and any rules issued under Section 1370 of the Companies Act 2014 (as amended) of Ireland (the "**Irish Companies Act**") by the Central Bank of Ireland.

#### *General*

Each of (i) the Class A and B Note Purchaser has represented and agreed with the Issuer in respect of the Purchase Notes and (ii) the Class C and D Note Purchaser has represented and agreed with the Issuer in respect of the Class C Notes and the Class D Notes, in each case, that they 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 of its knowledge and belief result in compliance with the applicable laws and regulations thereof.

#### **No Offer to Retail Investors**

Each of (i) the Class A and B Note Purchaser has represented and agreed with the Issuer in respect of the Purchase Notes and (ii) the Class C and D Note Purchaser has represented and agreed with the Issuer in respect of the Class C Notes and the Class D Notes, in each case, that it has not offered or sold and will not offer or sell such Notes, directly or indirectly, to retail investors in the European Economic Area and has not distributed or caused to be distributed and will not distribute or cause to be distributed to retail investors in the European Economic Area, this prospectus or any other offering material relating to the Notes.

For these purposes "retail investor" means (a) a retail client as defined in point (11) of Article 4 (1) of Directive 2014/65/EU or (b) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of Directive 2014/65/EU.

#### **Public Offers Generally**

No action has been or will be taken in any jurisdiction by the Issuer, the Arrangers, the Class A and B Note Purchaser or the Class C and D Note Purchaser that would, or is intended to, 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. The Notes are not intended for investment by retail investors and this Prospectus has not been prepared for

distribution to retail investors.

**Investor Compliance**

Persons into whose hands this Prospectus comes are required by the Issuer and the Arrangers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.



## GENERAL INFORMATION

1. The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 22 January 2018.
2. The entry into the transaction set out in this Prospectus has been authorised by a resolution of the Board of Directors of the Seller dated 15 November 2017.
3. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. The expenses arising in relation to the admission to trading of the Notes on the Official List of the Irish Stock Exchange are expected to total EUR 8,441.20.
4. The Issuer is not involved in any legal, arbitration or governmental proceedings which may have, or have had, since incorporation, a significant effect on its financial position or profitability nor is the Issuer, to the best of its knowledge, aware that any such proceedings are pending or threatened.
5. Since its incorporation on 22 November 2017, there has been no adverse change in the financial position or prospects of the Issuer.
6. It is a condition of the issue of the Notes that:
  - (a) the Class A Notes are on issue rated A(sf) by S&P and A(sf) by DBRS; and
  - (b) the Class B Notes are on issue rated BBB(sf) by S&P and BBB(sf) by DBRS; andThe Class C Notes and the Class D Notes will not be rated.

The ratings assigned by S&P address (i) the timely payment of interest on the Rated Notes on each Payment Date and (ii) the ultimate repayment of the Principal Amount Outstanding of the Rated Notes on or before the Final Maturity Date.

The ratings assigned by DBRS address (i) the timely payment of interest on the Rated Notes on each Payment Date and (ii) the ultimate repayment of the Principal Amount Outstanding of the Rated Notes on or before the Final Maturity Date.

7. The Issuer shall procure that the Servicer shall produce a monthly Servicing Report no later than the 10<sup>th</sup> day of each calendar month, and that the Cash Manager shall produce an Investor Report no later than 2 Business Days prior to each Payment Date. Each Investor Report shall be freely available on Bloomberg. The Issuer will make available to investors a cash-flow model from the Closing Date to the Final Maturity Date through Moody's Analytics Inc.
8. Loan level data on the Purchased Receivables will be made available to investors from the Closing Date until the Final Maturity Date in 20 June 2025 and such information will be updated on a regular basis.
9. The Issuer does not intend to provide any post-issuance information in relation to the Notes and the performance of the Purchased Receivables other than what is provided in the Investor Report or in accordance with paragraph 8 above.
10. None of the websites or the contents of such websites referenced within this Prospectus form part of this Prospectus.
11. For so long as any of the Notes are outstanding, copies of the following documents in physical form may be inspected during normal business hours and, upon written request, at the specified office of the Paying Agent and at the registered office of the Issuer:
  - (a) the Memorandum and Articles of Association of the Issuer;
  - (b) the Paying Agency Agreement;
  - (c) the Trust Deed;
  - (d) the Deed of Charge;

- (e) the Account Agreement;
  - (f) the Servicing Agreement;
  - (g) the Back-up Servicing Agreement;
  - (h) the Cash Management Agreement;
  - (i) the Class A and B Note Purchase Agreement;
  - (j) the Class C and D Note Purchase Agreement;
  - (k) the Corporate Services Agreement;
  - (l) the Expenses Loan Agreement;
  - (m) the Amendment and Restatement Deed relating to a Collection Accounts Declaration of Trust;
  - (n) the Collection Accounts Declaration of Trust;
  - (o) the Scottish Declaration of Trust;
  - (p) the Scottish Vehicle Sales Proceeds Floating Charge;
  - (q) the Assignment in Security;
  - (r) the Interest Rate Swap Agreement;
  - (s) the Issuer-ICSDs Agreement; and
  - (t) the then existing Investor Report.
12. For so long as any of the Notes are outstanding, a copy of the audited Financial Statements for the period since its incorporation may be obtained during normal business hours at the specified office of the Paying Agent. The first set of audited Financial Statements will be published in respect of the period from the date of incorporation of the Issuer 30 June 2018 and every twelve months thereafter. These Financial Statements will be available at the specified office of the Paying Agent. It is not intended that any interim Financial Statements of the Issuer, audited or otherwise, will be prepared.
13. In connection with the application for the Notes to be listed on the Irish Stock Exchange, copies of the Certificate of Incorporation and Memorandum and Articles of Association of the Issuer will be deposited prior to admission to trading with the Paying Agent, where they may be inspected and copies obtained upon request.
14. The language of this Prospectus is English. Any foreign language text that is included with or within this Prospectus has been included for convenience purposes only and does not form part of this Prospectus.
15. The Issuer's auditors are PricewaterhouseCoopers LLP whose office is located at One Kingsway, Cardiff, CF10 3PW.

16. The Notes have been accepted for clearance by Euroclear and Clearstream, Luxembourg. The Common Code for the Class A Notes is 175543287 and the ISIN is XS1755432876, the Common Code for the Class B Notes is 175543295 and the ISIN is XS1755432959, the Common Code for the Class C Notes is 175543309 and the ISIN is XS1755433098 and, in respect of the Common Code for the Class D Notes, the common code is 175543317 and the ISIN is XS1755433171.
17. The Arrangers are each authorised by the Prudential Regulation Authority (the “PRA”) and regulated by the PRA and the Financial Conduct Authority in the United Kingdom. None of the Arrangers is acting for any actual or prospective holders of Notes, and are neither advising nor treating as a client any actual or prospective holders of Notes and will not be responsible to anyone other than the Issuer for providing the protections afforded to its clients nor for providing the services in relation to the offering described in this Prospectus or any transaction or arrangement referred to herein. None of the Arrangers nor any of their respective Affiliates has authorised the content of, or any part of, this Prospectus.

## GLOSSARY OF DEFINED TERMS

- "Account Agreement"** means the account agreement between the Issuer, the Cash Manager, the Account Bank and the Trustee governing the Accounts dated on or about the Closing Date;
- "Account Bank"** means HSBC Bank plc;
- "Account Bank Fee Letter"** means the fee letter from the Issuer to the Account Bank, dated on or about the Closing Date;
- "Accounts"** means the Cash Reserve **Account**, the Issuer Account and the Swap Collateral Cash Account;
- "Accrued Interest"** means in respect of a **Note**, the interest which has accrued on that Note;
- "Additional Cut-Off Date"** means in **respect** of an Additional Purchase Date the last day of the immediately preceding Monthly Period;
- "Additional Offer Date"** means five days **before** each Additional Purchase Date;
- "Additional Purchase Available Funds"** means the funds available to purchase Additional Receivables pursuant to item (j) of the Pre-Enforcement Order of Priority;
- "Additional Purchase Conditions Precedent"** means the conditions set out in part 2 of schedule 6 to the Receivables Purchase Agreement;
- "Additional Purchase Date"** means a Payment Date falling in the Revolving Period (including, for the avoidance of doubt, if the Revolving Period ends on a Payment Date and the Revolving Period has not come to an end as a result of the occurrence of an Amortisation Event, such date);
- "Additional Purchase Price"** means in respect of Additional Purchased Receivables (a) an amount equal to their Principal Balance as of the relevant Additional Cut-Off Date and (b) any amount of Deferred Purchase Price paid to the Seller by the Issuer pursuant to the Priority of Payments, provided that the Revolving Period does not end following the occurrence of an Amortisation Event;
- "Additional Purchased Receivables"** means the Additional Receivables purchased by the Issuer from FRB London on any Additional Purchase Date in accordance **with** the Receivables Purchase Agreement;
- "Additional Receivables"** means the additional **Receivables** to be purchased by the Issuer in accordance with the Receivables Purchase Agreement;
- "Administrator Recovery Incentive"** means any incentive fee, costs and/or expenses payable, pursuant to the Servicing Agreement, to an Insolvency Official of FRB London in relation to the sale of Financed Objects after any Insolvency Event of FRB London;
- "Affiliate"** means, in relation to any Person, any entity **controlled**, directly or indirectly by the Person, any entity that controls, directly or indirectly the Person or any entity directly or indirectly under common control with such Person (for this purpose, "control" of any entity of Person means ownership of a majority of the voting power of the entity or Person). For the purposes of this definition, with respect to the Issuer, **"Affiliate"** does not include the Corporate Services Provider or any entities which the Corporate Services Provider controls.
- "Agent Bank"** means HSBC Bank plc;
- "Agents"** means the Agent Bank and the **Paying Agent**;
- "Aggregate Initial Cut-Off Date Principal Balance"** means the Aggregate Principal Balance as at the Initial Cut-Off Date, being £539,988,853.69;
- "Aggregate Principal Amount Outstanding"** means the **aggregate** of the Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes;
- "Aggregate Principal Balance"** means, as at a relevant **date**, the sum of the Principal Balance of all Purchased Receivables;
- "AIFMR"** means the Commission Delegated **Regulation** 231/2013 of 19 December 2012;
- "Amendment and Restatement Deed"** relating to a Collection Accounts Declaration of Trust" means the amendment and restatement deed entered into by the Seller on the Closing Date in relation to a trust over the Collection Accounts made by the Seller in favour of Turbo Finance 2 plc on 29 March 2012 (Turbo Finance 2 plc having subsequently been removed as a beneficiary of the trust on 23 September 2014), as amended and restated on 21 November 2012 (to add Turbo Finance 3 plc and FRB London as beneficiaries of the trust and to extend the trust to all monies standing to the credit of the Collection Accounts), as amended and restated on 14 November 2013 (to add Turbo Finance 4 plc as beneficiary of the trust, Turbo Finance 4 plc having subsequently been removed as a beneficiary of the trust on 23 October 2017), as amended and restated on 23 September 2014 (to add

Turbo Finance 5 plc as beneficiary of the trust), as amended and restated on 14 July 2015 (to add Motohouse Limited as beneficiary of the trust), as amended and restated on 16 February 2016 (to add Turbo Finance 6 plc as beneficiary of the trust and remove Turbo Finance 3 plc as beneficiary of the trust), as amended and restated on 30 November 2016 (to add Turbo Finance 7 plc as a beneficiary of the trust), as amended and restated on 23 October 2017 (to add Motofirst Limited as a beneficiary of the trust and remove Turbo Finance 4 plc as a beneficiary of the trust) and as amended and restated on the Closing Date (to add the Issuer as beneficiary of the trust);

**"Amortisation Date"** means the earlier of (i) the Payment Date following the Additional Cut-Off Date in July 2019, and (ii) the day on which an Amortisation Event has occurred;

**"Amortisation Event"** means the occurrence of any of the following:

- (a) on any Calculation Date, the Delinquency Ratio exceeds 2.5%;
- (b) on any Calculation Date, the Cumulative Net Loss Ratio exceeds 3.0%;
- (c) on two consecutive Payment Dates, the amount credited to the Issuer Account and recorded in the Replenishment Ledger after payments being made in accordance with the Pre-Enforcement Order of Priority is greater than 10% of the Aggregate Initial Cut-Off Date Principal Balance;
- (d) the occurrence of an Event of Default or Termination Event (in each case as defined in the Swap Agreement) under the Interest Rate Swap Agreement;
- (e) the occurrence of an Enforcement Event;
- (f) the occurrence of a Notification Event;
- (g) on any Payment Date, the Cash Reserve Account is not funded up to the Specified Cash Reserve Account Required Balance, provided that, if on any Payment Date during the first 4 months following the Closing Date the balance of the Cash Reserve Account is between 0.7% and 1.3% of the Aggregate Initial Cut-Off Date Principal Balance, no Amortisation Event shall occur pursuant to this paragraph (g);
- (h) on any Calculation Date, (i) the Performing Principal Outstanding Amount of the Loans plus any amounts available to be used under item (j) of the Pre-Enforcement Order of Priority is less than (ii) the aggregate Principal Amount Outstanding of the Rated Notes and the Class C Notes as of such Calculation Date;

**"Ancillary Rights"** means, in **relation** to a Receivable, all remedies for enforcing the same including, for the avoidance of doubt and without limitation:

- (a) the right to demand, sue for, recover, receive and give receipts for all amounts due and to become due whether or not from Obligors or guarantors under or relating to the Financing Contract to which such Receivable relates and all guarantees (if any) (including, for the avoidance of doubt, any Enforcement Proceeds received by the Seller or its agents);
- (b) the benefit of all covenants and undertakings from Obligors and from guarantors under the Financing Contract to which such Receivable relates and under all guarantees (if any);
- (c) the benefit of all causes and rights of actions against Obligors and guarantors under and relating to the Financing Contract to which such Receivable relates and under and relating to all guarantees (if any);
- (d) the benefit of any other rights, title, interest, powers and benefits of the Seller into, under, pursuant to or in relation to such Financing Contract (other than rights specifically relating to legal title to the Financed Object itself with such rights including, without limitation, the right of ownership, but excluding the rights to any PCP Recoveries);
- (e) any Insurance Proceeds received by the Seller or its agents pursuant to Insurance Claims in each case insofar as the same relate to the Financing Contract to which such Receivable relates;
- (f) the benefit of all causes and rights of actions against a dealer under and relating to the Financing Contract to which such Receivable relates;
- (g) the benefit of any other rights, title, interest, powers and benefits of the Seller into, under, pursuant to or in relation to the proceeds of any realisation or sale of a Financed Object (or under any contract made by the Seller with a third party for any sale of a Financed Object) in respect of such Receivable; plus

(h) the benefit of any rights, title, interest, powers and benefits of the Seller in and to PCP Recoveries;

**"Appointee"** means any attorney, manager, agent, delegate or other person appointed by the Trustee under the Trust Deed and/or the Deed of Charge, including to discharge any of the Trustee's functions or advise in relation thereto;

**"Articles of Association"** means the articles of association of the Issuer under English law;

**"Arrangers"** means FirstRand Bank Limited, London Branch and HSBC Bank plc;

**"Assignment in Security"** means the assignment in security to be granted by the Issuer in favour of the Trustee substantially in the form annexed to the Deed of Charge;

**"Auditors"** means PricewaterhouseCoopers LLP;

**"Authorised Signatory"** means a person who is duly authorised to sign on behalf of a Transaction Party and in respect of whom a certificate has been provided signed by a director of such Transaction Party setting out the name and signature of such person and confirming such person's authority to act or a duly authorised signatory list is provided by such Transaction Party;

**"Available Distribution Amount"** in respect of a Payment Date (including, for the avoidance of doubt, the Final Maturity Date), means the amount calculated on the relevant Calculation Date being the sum of the following amounts:

- (a) in the case of the first Payment Date falling on 20 February 2018, the amounts standing to the credit of the Issuer Account which represent the excess of the net proceeds of the issue of the Rated Notes and the Class C Notes and the Class D Notes over the Initial Purchase Price;
- (b) in the case of the first Payment Date falling on 20 February 2018, the Collections received from the Initial Cut-Off Date until 31 January 2018 (inclusive) and, for all subsequent Payment Dates, the Collections received for the immediately preceding Monthly Period (or, in the event payment of principal is deferred pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*), the Collections received for the Monthly Period immediately preceding the Servicing Report Delivery Failure and each subsequent Monthly Period up to and including the Monthly Period immediately preceding the relevant Payment Date); plus
- (c) any amounts standing to the credit of the Cash Reserve Account on the relevant Calculation Date; plus
- (d) net investment earnings from Permitted Investments as calculated on the relevant Calculation Date; plus
- (e) any amounts standing to the credit of the Issuer Account on the relevant Calculation Date which represent interest accrued on such account; plus
- (f) any amounts standing to the credit of the Issuer Account and recorded on the Replenishment Ledger on the relevant Calculation Date; plus
- (g) the Swap Amounts (if any) to be received by the Issuer from the Swap Counterparty; plus
- (h) in the case of the first Payment Date falling on 20 February 2018, any VAT Adjustment Amounts received from the Initial Cut-Off Date until 31 January 2018 (inclusive) and, for all subsequent Payment Dates, any VAT Adjustment Amount received for the immediately preceding Monthly Period (or, in the event payment of principal is deferred pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*), any VAT Adjustment Amount received for the Monthly Period immediately preceding the Servicing Report Delivery Failure and each subsequent Monthly Period up to and including the Monthly Period immediately preceding the relevant Payment Date); less
- (i) where the payment of principal has been deferred pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*), any amounts received by the Issuer that have been applied by the Cash Manager towards payment of interest on the Rated Notes and any other amount ranking in priority thereto in accordance with the provisions of Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in Part*) within the period of such principal repayment deferral;

**"Back-up Servicer"** means Equiniti Gateway Limited;

**"Back-up Servicer Notice"** means the notice from the Issuer to the Back-up Servicer notifying it of the occurrence of a Replacement Trigger in accordance with clause 4.1 (*Replacement of the Services*) of the Back-up Servicing Agreement;

**"Back-up Servicer Succession Date"** has the meaning given to it in clause 4.1 (*Replacement of the Services*) of the Back-up Servicing Agreement;

**"Back-up Services"** means the services to be provided by the Back-up Servicer as set out in schedule 1 to the Back-up Servicing Agreement;

**"Back-up Servicing Agreement"** means the back-up servicing agreement between the Back-up Servicer, the Issuer, the Seller, the Servicer and the Trustee dated on or about the Closing Date;

**"Back-up Servicing Fee"** means the fee payable to the Back-up Servicer in accordance with clause 5 (*Remuneration*) of the Back-up Servicing Agreement;

**"Basic Terms Modification"** means any modification of the terms of the relevant Class of Notes which relates to:

- (a) altering the Priority of Payments;
- (b) changing any date fixed for payment of principal or interest in respect of the relevant Class of Notes;
- (c) a modification which would have the effect of changing any day for payment of interest or any other distributions (as the case may be) in respect of such Notes;
- (d) changing the amount of principal or any other distributions (as the case may be) payable in respect of such Notes;
- (e) the alteration of the Class A Notes Interest Rate, the Class B Notes Interest Rate, the Class C Notes Interest Rate or the Class D Notes Interest Rate;
- (f) the alteration of the majority or quorum required to pass an Extraordinary Resolution;
- (g) the alteration of the currency of payment of such Notes; or
- (h) any alteration of the definition of Basic Terms Modification;

**"Business Day"** means any day which is a TARGET2 Day or, if such day is not a day on which banks are open for business in London, Johannesburg and Luxembourg, the next succeeding TARGET2 Day on which banks are open for business in London, Johannesburg and Luxembourg;

**"Calculation Date"** means, in relation to a Payment Date, the second Business Day prior to such Payment Date;

**"CAP"** means CAP Motor Research Ltd, Capital House, Bond Court, Leeds LS1 5EZ;

**"CAP Gold Book"** means the residual values forecasting product referred to as the "Cap Gold Book" as provided by CAP, or the equivalent replacement service provided by CAP;

**"Cash Management Agreement"** means the cash management agreement between the Issuer, the Cash Manager and the Trustee dated on or about the Closing Date;

**"Cash Management Fee"** means the fee payable to the Cash Manager pursuant to the Cash Management Agreement;

**"Cash Management Services"** means the services specified in schedule 1 to the Cash Management Agreement;

**"Cash Manager"** means HSBC Bank plc;

**"Cash Manager Termination Event"** means any of the events listed in clause 10.1 (*Termination or Resignation - Cash Manager Termination Events*) of the Cash Management Agreement;

**"Cash Reserve Account"** means the account held in the name of the Issuer with the Account Bank;

**"Cash Reserve Amount"** means the outstanding balance of the Cash Reserve Account from time to time;

**"CCA"** means the Consumer Credit Act 1974, as amended by the Consumer Credit Act 2006 and associated secondary legislation;

**"Charged Assets"** means the property, assets, rights and undertaking of the Issuer for the time being comprised in or subject to the security contained in or granted pursuant to the Deed of Charge and the Assignment in Security and references to the "Charged Assets" shall include references to any part of it;

**"Charged Transaction Documents"** means the Transaction Documents other than the Trust Deed, the Deed of Charge and the Assignment in Security;

**"Class"** or **"class"** means any of the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes;

**"Class A and B Note Purchase Agreement"** means the note purchase agreement with respect to the Class A Notes and the Class B Notes entered into between the Issuer, the Seller, the Class A and B Note Purchaser and the Arrangers, dated on or about the Signing Date;

**"Class A and B Note Purchaser"** means FRB London;

**"Class A Margin"** means 0.80% per annum;

**"Class A Noteholders"** means the holders of the Class A Notes;

**"Class A Notes"** means the class A notes issued by the Issuer on the Closing Date with a total principal amount of £507,500,000.00 and senior to the Class B Notes, Class C Notes and Class D Notes with respect to the payment of interest and principal respectively;

**"Class A Notes Interest Amount"** has the meaning given to it in Condition 6.3 (*Interest - Interest Rates on the Notes*);

**"Class A Notes Interest Rate"** means one-month LIBOR for Sterling deposits (or, in the case of the first Interest Period from (and including) the Closing Date to (but excluding) the Payment Date falling in February 2018, an interpolation of the LIBOR for 1 week and 1 month Sterling deposits) plus the Class A Margin, provided that the Class A Notes Interest Rate shall be zero if one-month LIBOR for Sterling deposits plus the Class A Margin is less than zero;

**"Class A Principal Payment Amount"** means, as at each Calculation Date, an amount equal to the lesser of (a) the Principal Amortisation Amount and (b) the then Principal Amount Outstanding of the Class A Notes;

**"Class B Margin"** means 1.40% per annum;

**"Class B Noteholders"** means the holders of the Class B Notes;

**"Class B Notes"** means the class B notes issued by the Issuer on the Closing Date with a total principal amount of £21,500,000.00 ranking junior to the Class A Notes and senior to the Class C Notes and Class D Notes with respect to the payment of interest and principal respectively;

**"Class B Notes Interest Amount"** has the meaning given to it by Condition 6.3 (*Interest - Interest Rates on the Notes*);

**"Class B Notes Interest Rate"** means one-month LIBOR for Sterling deposits (or, in the case of the first Interest Period from (and including) the Closing Date to (but excluding) the Payment Date falling in February 2018 an interpolation of the LIBOR for 1 week and 1 month Sterling deposits) plus the Class B Margin, provided that the Class B Notes Interest Rate shall be zero if one-month LIBOR for Sterling deposits plus the Class B Margin is less than zero;

**"Class B Principal Payment Amount"** means, as at each Calculation Date, an amount equal to the lesser of (a) the Principal Amortisation Amount less any Class A Principal Payment Amounts to be paid on the immediately following Payment Date and (b) the then Principal Amount Outstanding of the Class B Notes;

**"Class C Noteholders"** means the holders of the Class C Notes;

**"Class C and D Note Purchase Agreement"** means the note purchase agreement with respect to the Class C Notes and the Class D Notes entered into between the Issuer and the Class C and D Note Purchaser on or about the Signing Date;

**"Class C and D Note Purchaser"** means FirstRand International Limited;

**"Class C Notes"** means the class C notes issued by the Issuer on the Closing Date with a total principal amount of £11,000,000.00 ranking junior to the Class A Notes and Class B Notes and senior to the Class D Notes with respect to the payment of interest and principal respectively;

**"Class C Notes Interest Amount"** has the meaning given to it by Condition 6.3 (*Interest - Interest Rates on the Notes*);

**"Class C Notes Interest Rate"** means 15% per annum;

**"Class C Principal Payment Amount"** means, as at each Calculation Date, an amount equal to the lesser of (a) the Principal Amortisation Amount less any Class A Principal Payment Amounts and Class B Principal Payment Amounts to be paid on the immediately following Payment Date and (b) the then Principal Amount Outstanding of the Class C Notes;

**"Class D Noteholders"** means the holders of the Class D Notes;

**"Class D Notes"** means the class D notes issued by the Issuer on the Closing Date with a total principal amount of



£3,780,000.00 ranking junior to the Class A Notes, the Class B Notes and the Class C Notes with respect to the payment of interest and principal respectively;

**"Class D Notes Interest Amount"** has the meaning given to it by Condition 6.3 (*Interest - Interest Rates on the Notes*);

**"Class D Notes Interest Rate"** means 20% per annum;

**"Class D Principal Payment Amount"** means, as at each Calculation Date, an amount equal to the lesser of (a) the Principal Amortisation Amount less any Class A Principal Payment Amounts and Class B Principal Payment Amounts and Class C Principal Payment Amounts to be paid on the immediately following Payment Date and (b) the then Principal Amount Outstanding of the Class D Notes;

**"Clean-Up Call"** means the option of the Issuer to sell the Purchased Receivables for the Clean-Up Call Settlement Amount at any time after the Aggregate Principal Balance is less than 10% of the Aggregate Initial Cut-Off Date Principal Balance provided that the conditions set out in Condition 7.3 (*Redemption and Cancellation - Optional Redemption in Whole*) for redemption of the Notes are satisfied;

**"Clean-Up Call Settlement Amount"** means an amount equal to the Principal Balance of all Purchased Receivables in the Purchased Pool as at the time the Clean-up Call is exercised, calculated using the Financing Contract Rate on the basis of one year of 360 days being equivalent to 12 months, each month consisting of 30 days and taking into account the risk of losses, if any, in order to reach a fair market value;

**"Clearing Systems"** means Clearstream, Luxembourg and Euroclear;

**"Clearstream, Luxembourg"** means the Clearstream, Luxembourg clearance system for internationally traded securities operated by Clearstream Banking, *société anonyme*, and any successor thereto;

**"Closing Date"** means 23 January 2018;

**"Collection Accounts"** means such accounts held at Lloyds Bank plc in the name of the Servicer for the deposit of Collections with account numbers 01249911 and 00231355;

**"Collection Account Bank"** means:

- (a) a bank which holds one or more Collection Accounts in the name of FRB London for the deposit of Collections; or
- (b) following the replacement of the Servicer, a bank which holds one or more Collection Accounts in the name of the Issuer for the deposit of Collections;

**"Collection Account Declaration of Trust"** means the declaration of trust granted by the Seller on 29 March 2012 in relation to a trust over the Collection Accounts as amended and restated pursuant to the Amendment and Restatement Deed relating to a Collection Accounts Declaration of Trust;

**"Collections"** means (a) all cash collections received by the Servicer from the relevant Cut-Off Date in respect of Purchased Receivables including, without limitation, PCP Recoveries, excess mileage charges, any Final Payment Amounts, any Option to Purchase Fee, any amounts payable by an Obligor in respect of refurbishment charges, repairs, wear-and-tear, recovery charges and other similar types of charges, charges payable as a result of a late payment under a Financing Contract, fees for any extension of the term of a Financing Contract, any other administrative fees payable under a Financing Contract including any capitalised fees and capitalised interest (excluding any interest accrued prior to but excluding the relevant Cut-Off Date immediately preceding the Initial Purchase Date or the Additional Purchase Date, as applicable, on which such Receivables were purchased by the Issuer), Enforcement Proceeds, Insurance Proceeds and the VAT Component on payments received by the Servicer and (b) Repurchase Amounts and any other amounts payable to the Issuer on the purchase of Receivables pursuant to the Clean-Up Call and any payment received by the Issuer pursuant to clause 11 (*Payment for Non-Existent Receivables*) of the Receivables Purchase Agreement;

**"Common Safekeeper"** means HSBC Bank plc, the keeper of the Global Notes on behalf of the ICSDs;

**"Common Service Provider"** means HSBC Bank plc;

**"Common Terms"** means the provisions set out in schedule 2 (*Common Terms*) to the Master Framework Agreement;

**"Conditions"** means the terms and conditions to be endorsed on the Notes in, or substantially in, the form set out in schedule 4 (*Terms And Conditions of the Notes*) of the Trust Deed as any of the same may from time to time be modified in accordance with the Trust Deed;

**"Corporate Services Agreement"** means the corporate services agreement entered into by the Issuer, the Share Trustee and the Corporate Services Provider on or about the Closing Date;

**"Corporate Services Provider"** means Maples Fiduciary Services UK Limited;

**"Couponholders"** means the holders for the time being of the Coupons appertaining to the Notes;

**"Coupons"** means the coupons appertaining to the Notes;

**"Court"** means a court of England and Wales;

**"CRA"** means the Regulation (EC) No. 1060/2009, as amended;

**"CRA15"** means the Consumer Rights Act 2015;

**"CRA III"** means the Regulation (EU) No. 462/2013;

**"CRA Regulation"** means Regulations (EC) No. 1060/2009, as amended;

**"CRR"** means the EU Capital Requirements Regulation formally adopted by the Council and the European Parliament on 26 June 2013, and implemented in the UK on 1 January 2014, as may be amended or superseded from time to time;

**"Cumulative Net Loss Ratio"** means, on any Calculation Date, the ratio, expressed as a percentage (rounded downwards to two decimal places) of:

- (a) the Principal Loss as at the end of the Monthly Period immediately preceding such Calculation Date; to
- (b) the Aggregate Initial Cut-Off Date Principal Balance plus the aggregate Principal Balances of any Additional Purchased Receivables as of each relevant Additional Cut-Off Date occurring before such Calculation Date;

**"Cure Period"** means the period until the end of the Monthly Period, which includes the thirtieth (30th) day (or, if the Seller elects an earlier date, such earlier date) after the date that the Seller became aware or was notified of a breach of any of the warranties set forth at the relevant Cut-Off Date or Purchase Date (as applicable) which the Seller has to cure or correct such breach;

**"Customary Operating Practices"** means:

- (a) the normal operating policies and practices in respect of the origination, management, administration and collection of receivables adopted by the Servicer from time to time with respect to HP Contracts, HP+ Contracts and PCP Contracts entered into by FRB London; or
- (b) following the replacement of the Servicer, the normal operating policies and practices in respect of the management, administration and collection of receivables adopted by the successor servicer from time to time with respect to HP Contracts, HP+ Contracts and PCP Contracts;

**"Cut-Off Date"** means the Initial Cut-Off Date or each Additional Cut-Off Date;

**"DBRS"** means DBRS Ratings Limited, or any successor to its rating business;

**"DBRS Equivalent Chart"** means:

DBRS	Moody's	S&P	Fitch
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB (high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB (low)	Baa3	BBB-	BBB-
BB (high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B (high)	B1	B+	B+
B	B2	B	B
B (low)	B3	B-	B-
CCC (high)	Caa1	CCC+	CCC
CCC	Caa2	CCC	
CCC (low)	Caa3	CCC-	
CC	Ca	CC	
		C	
D	C	D	D

**"DBRS Equivalent Rating"** means:

- (a) if a Fitch public senior unsecured debt rating (or equivalent long term rating), a Moody's public senior unsecured debt rating (or equivalent long term rating) and an S&P public senior unsecured debt rating (or equivalent long term rating) in respect of a certain entity (each, a **"Public Long Term Rating"**) are all available at such date, the corresponding DBRS rating as shown in the DBRS Equivalent Chart of such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS rating one notch below the DBRS rating corresponding to such Public Long Term Rating as shown in the DBRS Equivalent Chart). For this purpose, if more than one Public Long Term Rating has the same highest or same lowest DBRS rating as shown in the DBRS Equivalent Chart, then in each case one of such Public Long Term Ratings shall be so disregarded;
- (b) if the DBRS Equivalent Rating cannot be determined under (a) above, but Public Long Term Ratings of a certain entity by any two of Fitch, Moody's and S&P are available at such date, the corresponding DBRS rating as shown in the DBRS Equivalent Chart of the lower of such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below); and
- (c) if the DBRS Equivalent Rating cannot be determined under (a) and (b) above, but a Public Long Term Rating by any one of Fitch, Moody's and S&P is available at such date, then the DBRS rating as shown in the DBRS Equivalent Chart will be such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS rating one notch below the DBRS rating corresponding to such Public Long Term Rating as shown in the DBRS Equivalent Chart).

If at any time the DBRS Equivalent Rating cannot be determined under subparagraphs (a) to (c) above, then the relevant entity will be deemed to have a DBRS rating of "C" at such time;

**"Declaration of Trust"** means the declaration of trust dated 11 December 2017 made by the Share Trustee;

**"Deed of Charge"** means the deed of charge dated on or about the Closing Date and entered into by, *inter alios*, the Issuer and the Trustee and includes any further or supplemental deed or charge or security granted pursuant thereto;

**"Defaulted Receivable"** means any Purchased Receivable in respect of which (a) recovery proceedings have been commenced by the Servicer, and/or (b) the relevant Obligor has missed more than three consecutive scheduled monthly payments;

**"Deferred Purchase Price"** means any amount of deferred purchase price payable to the Seller pursuant to clause 5 (*Consideration*) of the Receivables Purchase Agreement;

**"Definitive Notes"** means the Notes issued in definitive bearer form;

**"Delinquency Ratio"** means, on any Calculation Date, the ratio, expressed as a percentage (rounded downwards to two decimal places) of:

- (a) the aggregate Principal Balance of each Delinquent Receivable as at the end of the Monthly Period immediately preceding such Calculation Date;  
to
- (b) the Performing Principal Outstanding Amount of the Loans as calculated on such Calculation Date (for the avoidance of doubt excluding any Additional Purchased Receivables to be purchased on the Payment Date following such Calculation Date);

**"Delinquent Receivable"** means any Purchased Receivable which (a) is more than 30 days overdue for an amount greater than £70 and (b) is not a Defaulted Receivable;

**"Designated Vehicle"** means any diesel-engine vehicle manufactured or branded by Volkswagen and shall include, for the avoidance of doubt, any diesel-engine Volkswagen, Seat, Porsche, Skoda, Audi, Bentley, Bugatti and Lamborghini;

**"Direct Debit"** means a written instruction of an Obligor authorising its bank to honour a request of FRB London to debit a sum of money on specified dates from the account of the Obligor for credit to an account of FRB London;

**"Direct Debiting Scheme"** means the system for the manual or automated debiting of bank accounts by Direct Debit operated in accordance with the principal rules of certain members of the Association for Payment Clearing Services;

**"Early Settlement Regulations"** means the Consumer Credit (Early Settlement) Regulations 2004;

**"Effective Rate"** means the term annual percentage rate applicable to each Financing Contract, taking into account the Option to Purchase Fee under such Financing Contract;

**"Eligibility Criteria"** means the representations relating to Receivables, Ancillary Rights and Financing Contracts contained in schedule 3 (*Representations relating to Receivables, Ancillary Rights and Financing Contracts*) to the Receivables Purchase Agreement;

**"EMIR"** means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, known as the European Market Infrastructure Regulation;

**"Encumbrance"** means any mortgage, sub-mortgage, security assignment or assignation, standard security, charge, sub-charge, pledge, lien, right of set-off or other encumbrance or security interest of any kind, however created or arising, including anything analogous to any of the foregoing under the laws of any jurisdiction;

**"Enforcement Event"** means any of the following events:

- (a) *Non-payment*: the Issuer fails to pay any amount of principal or interest (other than (i) any interest which falls to be deferred pursuant to Condition 6.2 (*Payment Dates and Interest Periods*), or (ii) any principal which falls to be deferred pursuant to Condition 7.4 (*Redemption and Cancellation – Mandatory Redemption in Part*)) in respect of the Notes, within two Business Days after the due date for payment thereof; or
- (b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any other obligation, condition, provision, representation or warranty binding upon or made by it under or in respect of the Notes, the Conditions or any Transaction Document (other than any obligation whose breach would give rise to the Enforcement Event provided for in Condition 11 (*Enforcement Events*)) and such default (A) is, in the opinion of the Trustee, incapable of remedy or (B) is, in the opinion of the Trustee, capable of remedy but remains unremedied for 30 days or such longer period as the Trustee may agree after the Trustee has given written notice thereof to the Issuer; or
- (c) *Insolvency*: an Insolvency Event occurs with respect to the Issuer; or
- (d) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, the Conditions, the Trust Deed or any other Transaction Document,

provided that in the case of the occurrence of any of the events mentioned in paragraph (b), the Trustee shall have certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the Most Senior Class Outstanding;

**"Enforcement Notice"** means a notice given by the Trustee to the Issuer following the occurrence of an Enforcement Event declaring the Notes immediately due and payable;

**"Enforcement Proceeds"** means the gross proceeds from the realisation of Financed Objects in respect of Purchased Receivables and from the enforcement of any other Ancillary Rights;

**"EU"** means the European Union;

**"EU Insolvency Regulation"** means the EC Regulation on Insolvency Proceedings 2000 (Council Regulation (EC) No. 1346/2000 of 29 May 2000);

**"EU Member State"** means, as the context may require, a member state of the European Union or of the European Economic Area;

**"Euroclear"** means Euroclear Bank S.A./N.V. and any successor thereto;

**"Excess Swap Collateral"** means an amount equal to the value of the Swap Collateral (or the applicable part thereof) provided by the Swap Counterparty to the Issuer which is in excess of the Swap Counterparty's liability (prior to any netting in respect of such Swap Collateral) under the Interest Rate Swap Agreement as at the date of termination of the Interest Rate Swap Agreement which the Swap Counterparty is otherwise entitled to have returned to it under the terms of the Interest Rate Swap Agreement;

**"Exchange Act"** means the United States Securities Exchange Act of 1934;

**"Exchange Date"** means, in relation to each Temporary Global Note, the first day following the expiry of forty days after the date of issue of such Note;

**"Expected Amortisation Amount"** means, as calculated on each Calculation Date, if positive:

- (a) the aggregate of (i) the Principal Amount Outstanding of all Notes as at that Calculation Date and (ii) the Initial Cash Reserve Account Increase Amount;  
minus
- (b) the aggregate of (i) the Performing Principal Outstanding Amount of the Loans as calculated on the relevant Calculation Date; and (ii) the Specified Cash Reserve Account Required Balance applicable to the immediately following Payment Date;

**"Expenses Loan Agreement"** means the expenses loan agreement relating to the initial costs and expenses of the Transaction and made between FRB London, the Issuer, the Trustee and the Cash Manager on or about the Closing Date;

**"Expenses Loan Provider"** means FRB London;

**"Extraordinary Resolution"** means either a resolution (a) passed at a meeting of the relevant class of Noteholders duly convened and held in accordance with the provisions contained in the Trust Deed by a majority consisting of not less than 75% of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than 75 % of the votes given on such poll or (b) in writing in accordance with the provisions of paragraph 23 of schedule 5 (*Provision for Meetings of Noteholders*) to the Trust Deed;

**"FATCA"** means:

- (a) sections 1471 to 1474 of the US Internal Revenue Code of 1986 or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a); or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction;

**"FATCA Withholding"** means the withholding or deduction of any amounts required by FATCA pursuant to any inter-governmental agreement or implementing legislation adopted by any jurisdiction in connection with FATCA;

**"FCA"** means the Financial Conduct Authority;

**"FCPA"** means the U.S. Foreign Corrupt Practices Act of 1977;

**"Final Discharge Date"** means the date on which the Trustee is satisfied that all the Secured Obligations have been paid or discharged in full;

**"Final Maturity Date"** means the Payment Date falling in 20 June 2025;

**"Final Payment Amount"** means, in respect of PCP Contracts, the final payment due under such PCP Contract and which shall be no more than the Minimum Guaranteed Future Value;

**"Final Rental Amount"** means the final payment due, as applicable, under the Financing Contracts;

**"Financed Objects"** means the motor vehicles, light commercial vehicles, motorcycles or scooters referred to in the Financing Contracts and financed pursuant thereto;

**"Financial Collateral"** has the meaning given to it by the Financial Collateral Arrangements (No 2) Regulations 2003;

**"Financial Statements"** means the published financial statements of the Issuer;

**"Financing Contract"** means each HP Contract, HP+ Contract and PCP Contract entered into between an Obligor and FRB London in the form of one of the Standard Form Contracts pursuant to which FRB London has provided finance to an Obligor where the final payment due by the Obligor under such contract is not substantially greater than the previous payments due thereunder;

**"Financing Contract Rate"** means, for each Purchased Receivable, the rate set out in the relevant Financing Contract for the Purchased Receivable;

**"FirstRand International Limited"** means FirstRand International Limited at La Plaiderie House, St Peter Port, Guernsey GY1 4NL, Channel Islands;

**"Fitch"** means Fitch Rating Inc., or any successors to its rating business;

**"Force Majeure Event"** means an event beyond the reasonable control of the person affected including, strike, lock-out, sit-in, labour dispute, act of God, war, insurrection, riot, epidemic, civil commotion, governmental directions and regulations, malicious damage, accident, breakdown of plant or machinery, computer software, hardware or system failure, earthquake, fire, flood, storm and other circumstances affecting the supply of goods or services;

**"FOS"** means the Financial Ombudsman Service;

**"FRB"** means FirstRand Bank Limited;

**"FRB Group"** means FirstRand Limited together with its subsidiaries and subsidiary undertakings;

**"FRB London"** means FirstRand Bank Limited acting through its London Branch;

**"FSMA"** means the United Kingdom Financial Services and Markets Act 2000;

**"GAP"** means guaranteed auto protection insurance in relation to the Financing Contracts;

**"Global Note"** means each of the Temporary Global Note and the Permanent Global Note;

**"Glossary of Defined Terms"** means this glossary of defined terms;

**"Guaranteed Future Value"** means, in respect of a PCP Contract, the amount specified in such PCP Contract as being the future residual value of the Financed Object that is the subject of such PCP Contract;

**"HP+ Contract"** means each HP Contract which is entered into between an Obligor and FRB London together with a HP+ Unsecured Loan;

**"HP Contract"** means each hire purchase agreement entered into between an Obligor and FRB London in the form of a Standard Form Contract where the balance is amortised in monthly instalments over the period of the agreement, and which is not a PCP Contract;

**"HP+ Unsecured Loan"** means each unsecured loan agreement entered into between an Obligor and FRB London together with a HP+ Contract;

**"ICSDs"** means International Central Securities Depositories, being each of Euroclear and Clearstream, Luxembourg;

**"IFRS"** means International Financial Reporting Standards;

**"Initial Cash Reserve Account Increase Amount"** means the difference between (x) an amount equal to 1.3% of the Aggregate Initial Cut-Off Date Principal Balance and (y) the Initial Cash Reserve Amount;

**"Initial Cash Reserve Amount"** means £3,780,000;

**"Initial Cut-Off Date"** means 31 December 2017;

**"Initial Offer Date"** means 23 January 2018;

**"Initial Purchase Conditions Precedent"** means the conditions set out in part 1 of schedule 6 (*Conditions Precedent*) to the Receivables Purchase Agreement;

**"Initial Purchase Date"** means the Closing Date;

**"Initial Purchase Price"** means, in respect of the Initial Purchased Receivables, (a) an amount equal to the Aggregate Initial Cut-Off Date Principal Balance, and (b) any amount of Deferred Purchase Price paid to the Seller by the Issuer pursuant to the **Priority** of Payments;

**"Initial Purchased Receivables"** means the Receivables purchased by the Issuer from the Seller on the Initial Purchase Date in accordance with the **Receivables** Purchase Agreement;

**"Initial Purchased Receivables Pool"** means the pool of Initial Purchased Receivables;

**"Insolvency Act"** means the Insolvency Act 1986;

**"Insolvency Event"**, in respect of a company, means:

- (a) such company is or becomes or is declared to be insolvent or unable to pay its debts or suspends or threatens to suspend making payments (whether of principal or interest) with respect to all or any class of its debts;
- (b) the value of the assets of such company is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;
- (c) a moratorium is declared in respect of any indebtedness of such company;
- (d) the commencement of negotiations with one or more creditors of such company with a view to a general readjustment, rescheduling or deferral of any indebtedness of such company or proposal to commence such negotiations;
- (e) any corporate action, legal proceedings or other procedure or step is taken (whether out of court or otherwise) in relation to:
  - (i) the liquidation, administration, curatorship, custodian/guardianship, winding-up or dissolution (and, in each case, whether provisional or final) of such company or its estate, or the authorisation of the commencement of business rescue proceedings in respect of such company;
  - (ii) the appointment of an Insolvency Official (excluding, in the case of the Issuer, the Trustee) in relation to such company or in relation to the whole or any part of the undertaking of the company or the relevant company requests the appointment of such Insolvency Official;
  - (iii) an encumbrancer (excluding, in the case of the Issuer, the Trustee) taking possession of the whole or any part of the undertaking or assets of such company;
  - (iv) the making of an arrangement, composition or compromise (whether by way of voluntary arrangement, scheme of arrangement or otherwise) with any creditors (or any class of creditors) of such company, a reorganisation of such company, a conveyance to or assignment for the benefit of creditors of such company (or any class of creditors) or the making of an application to a court of competent jurisdiction for protection from the creditors or such company (or any class of creditors);
  - (v) any act which, if such act was committed by an individual, would be any act of insolvency under the applicable insolvency legislation of the relevant jurisdiction to which such company is subject; and
  - (vi) any analogous procedure or step is taken in any jurisdiction; or
- (f) any distress, execution, diligence, attachment or other process being levied or enforced or imposed upon or against the whole or any material part of the undertakings or assets of such company (excluding in the case of the Issuer, by the Trustee) and such order, appointment, possession or process (as the case may be) not being discharged or otherwise ceasing to apply within 30 days;

**"Insolvency Official"** means, in respect of any company, a liquidator, provisional liquidator, curator, administrator (whether appointed by the court or otherwise), administrative receiver, receiver or manager, nominee, supervisor, trustee in bankruptcy, conservator, guardian, business rescue practitioner, the viscount or other similar official in respect of such company or in respect of all (or substantially all) of the company's assets or in respect of any arrangement or composition with creditors or any equivalent or analogous officer under the law of any jurisdiction;

**"Insurance Claims"** means any claims against any car insurer in relation to any damaged or stolen Financed Object and any claims made under any GAP or PPI insurance contracts entered into by the Obligors in connection with the Financing Contracts;

**"Insurance Proceeds"** means any proceeds or monetary benefit in respect of any Insurance Claims;

**"Interest Amount"** has the meaning set out in Condition 6.5 (*Interest - Interest Rates on the Notes*);

**"Interest Period"** means:

- (a) in respect of the first Payment Date, the period commencing on (and including) the Closing Date and ending on (but excluding) the Payment Date falling on 20 February 2018; and
- (b) in respect of any subsequent Payment Date, the period commencing on (and including) the preceding Payment Date and ending on the calendar day preceding (but excluding) the relevant Payment Date;

**"Interest Rate"** has the meaning set out in Condition 6.3 (*Interest - Interest Rate on the Notes*);

**"Interest Rate Swap Agreement"** or **"Interest Rate Swap"** means the interest rate swap transaction as evidenced by a confirmation dated on or about the Closing Date between the Issuer and the Swap Counterparty and governed by the terms of the Swap Agreement;

**"Interest Shortfall"** means the Accrued Interest that is not paid on a Note on the Payment Date related to the relevant Interest Period in which it accrued;

**"Investor Report"** means the report so named to be prepared by the Cash Manager setting out details of, amongst other things, payments on the Purchased Receivables and the Notes;

**"ISIN"** means the international securities identification number pursuant to the ISO - 6166 Standard;

**"ISO"** means the International Organisation for Standardization;

**"Issuer"** means MotoPark Finance plc;

**"Issuer Account"** means the Sterling account held in the name of the Issuer with the Account Bank;

**"Issuer Covenants"** means the covenants of the Issuer as set out in schedule 5 (*Issuer Covenants*) of the Master Framework Agreement;

**"Issuer-ICSDs Agreement"** means the agreement dated on about the Closing Date between the Issuer and the ICSDs;

**"Issuer Retained Profit"** means an amount of £750 per annum retained by the Issuer in accordance with the Priority of Payments;

**"Issuer Security"** means the security created over the assets of the Issuer in favour of the Trustee pursuant to the provisions of the Deed of Charge and the Assignment in Security;

**"Issuer Warranties"** means the representations and warranties of the Issuer as set out in schedule 4 (*Issuer's Representations and Warranties*) of the Master Framework Agreement;

**"LCV"** means light commercial vehicle;

**"Liabilities"** means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever including properly incurred legal fees and



any Taxes and penalties incurred by that person, together with any VAT charged or chargeable in respect of any of the sums referred to in this definition;

**"LIBOR"** means the London Interbank Offered Rate (or any successor rate thereto);

**"LIBOR Determination Date"** means, in respect of the first Interest Period, the Closing Date and, in respect of each subsequent Interest Period, the Payment Date on which the relevant Interest Period commences;

**"LIBOR Screen Rate"** means the display designated as the Intercontinental Exchange Benchmark Association rate as quoted on the Reuters <LIBOR=> page;

**"Listing Agent"** means Walkers Listing Services Limited;

**"LPA"** means the Law of Property Act 1925;

**"Master Definitions Schedule"** means schedule 1 (*Master Definitions Schedule*) to the Master Framework Agreement;

**"Master Framework Agreement"** means the master framework agreement entered into between the Issuer and the Trustee and dated on or about the Closing Date;

**"Material Adverse Effect"** means, as the context may require:

- (a) a material adverse effect on the validity or enforceability of any of the Transaction Documents; or
- (b) in respect of a Transaction Party, a material adverse effect on:
  - (i) the business, operations, assets property, condition (financial or otherwise) or prospects of such Transaction Party; or
  - (ii) the ability of such Transaction Party to perform its obligations under any of the Transaction Documents; or
  - (iii) the rights or remedies of such Transaction Party under any of the Transaction Documents; or
- (c) a material and adverse effect on the ability of the Issuer to receive full and timely payment on a Purchased Receivable,

provided that, if the Trustee is required to make a determination of any Material Adverse Effect, it shall be entitled to rely on:

- (A) any direction given by the holders of at least 25% of the Principal Amount Outstanding of the Most Senior Class Outstanding; or
- (B) an Extraordinary Resolution of the holders of the Most Senior Class Outstanding;

**"Member States"** means a member state of the European Union;

**"Minimum Denominations"** means in respect of the Notes, £100,000;

**"Minimum Guaranteed Future Value"** means, in respect of a PCP Contract, the residual value ascribed by the Seller to the Financed Object in respect of such PCP Contract as calculated with reference to the CAP Gold Book (or such other provider as the case may be) at the time the PCP Contract was entered into;

**"Minimum Rating"** means, in respect of any person, such person has the following rating:

- (a) a short-term a short-term, unsecured, unsubordinated and unguaranteed debt rating of at least A-1 by S&P (if a short-term rating is assigned by S&P) and a long-term unsecured, unsubordinated and unguaranteed debt rating of at least A by S&P, or should the relevant person not benefit from a short-term unsecured, unsubordinated and unguaranteed rating of at least A-1 from S&P, a long-term unsecured, unsubordinated and unguaranteed rating of at least A+ by S&P; and

- (b) a long-term **DBRS Institution Rating** of at least the rating specified in the DBRS Ratings Table below in column B where the relative outstanding most senior Notes' rating is at the rating specified in column A below,

or, in each case, such other credit rating which is otherwise acceptable to the relevant Rating Agency.

**"DBRS Institution Rating"**: the rating for an institution acting in the capacity of an account bank is the higher of:

- (a) a rating one notch below the institution's long-term Critical Obligations Rating ("**COR**"); and  
 (b) the institution's issuer rating or long-term senior unsecured debt or deposit rating.

If a long-term COR is not available from DBRS on such person, the higher of the such person's issuer rating, long-term senior unsecured debt rating or deposit rating in accordance DBRS Ratings Table below (or, if such person is not rated by DBRS, then the DBRS Equivalent Rating).

DBRS Ratings Table:

Column A	Column B
Rating assigned to the outstanding most senior Notes	Minimum DBRS Institution Rating
AAA	A (high)
AA (high)	A
AA	A (low)
AA (low)	A (low)
A (high)	BBB (high)
A	BBB

**"Money Laundering Laws"** means all applicable money laundering statutes, the rules and regulations thereunder and any related or similar rules, regulations or guidelines;

**"Month-end Aggregate Defaulted Receivables"** means, as calculated on each Calculation Date, the aggregate Principal Balance of the Purchased Receivables that (a) have become Defaulted Receivables during the Monthly Period immediately preceding the relevant Calculation Date or (b) remain Defaulted Receivables as at the end of such Monthly Period;

**"Month-end Aggregate Voluntarily Terminated Receivables"** means, as calculated on each Calculation Date, the aggregate Principal Balance of the Purchased Receivables that (a) have become Voluntarily Terminated Receivables during the Monthly Period immediately preceding the relevant Calculation Date or (b) remain Voluntarily Terminated Receivables as at the end of such Monthly Period;

**"Monthly Period"** means the calendar month immediately prior to each Payment Date;

**"Moody's"** means Moody's Investors Service Ltd., or any successor to its rating business;

**"Most Senior Class Outstanding"** means the Class A Notes while they remain outstanding and thereafter the Class B Notes while they remain outstanding and thereafter the Class C Notes while they remain outstanding and thereafter the Class D Notes while they remain outstanding;

**"Non-Conforming Receivable"** means each Purchased Receivable in respect of which any representation or warranty set out in schedule 3 to the Receivables Purchase Agreement proves to have been incorrect in accordance with clause 10.1(c) (*Repurchase*) of the Receivables Purchase Agreement and has not been remedied by the Seller pursuant to the terms of clause 10.1(c) (*Repurchase*) of the Receivables Purchase Agreement;

**"Noteholders"** " means the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders;

**"Note Principal Payment"** has the meaning given to it by Condition 7.6 (*Redemption and Cancellation - Note Principal Payment*);

**"Notes"** means the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes collectively;

**"Notices Details"** means the provisions set out in schedule 3 (*Notices Details*) to the Master Framework Agreement;

**"Notice of Sale"** means a notice in writing regarding the sale of Receivables in the form set out in schedule 4 (*Form of Notice of Sale*) to the Receivables Purchase Agreement;

**"Notification Event"** means the occurrence of any of the following events:

- (a) *Non-Payment*: FRB London fails to pay any amount due under any Transaction Documents within three Business Days after the earlier of its becoming aware of such default and its receipt of written notice by or on behalf of the Trustee requiring the same to be remedied;
- (b) *Insolvency Event*: an Insolvency Event, in respect of the Seller or the Servicer;
- (c) *Encumbrance*: FRB London creates or grants any Encumbrance or permits any Encumbrance to arise or purports to create or grant any Encumbrance or purports to permit any Encumbrance to arise over or in relation to (1) any Purchased Receivable; (2) any right, title or interest of the Issuer in relation to a Purchased Receivable or Collections; or (3) any proceeds of or sums received or payable in respect of a Purchased Receivable;
- (d) *Dispute*: FRB London disputes, in any manner, the validity or efficacy of any sale and purchase of a Receivable under the Receivables Purchase Agreement and as a result, in the reasonable opinion of the Trustee, there is, or is likely to be, a Material Adverse Effect on the ability of FRB London to perform its obligations under the Transaction Documents or the enforceability, collectability or origination of the Purchased Receivables;
- (e) *Illegality*: it becomes impossible or unlawful for FRB London to continue its business and/or discharge its obligations as contemplated by the Transaction Documents and as a result, in the reasonable opinion of the Trustee, there is, or is likely to be, a Material Adverse Effect on the ability of FRB London to perform its obligations under the Transaction Documents or the enforceability, collectability or origination of the Purchased Receivables;
- (f) *Failure to repurchase*: FRB London fails to:
  - (i) repurchase a Non-Conforming Receivable having become obliged to do so pursuant to clause 10 (*Repurchase*) of the Receivables Purchase Agreement or
  - (ii) pay any amount required pursuant to clause 11 (*Payment for Non-Existent Receivables*) of the Receivables Purchase Agreement;
- (g) *Servicer Replacement Event*: a Servicer Replacement Event;

**"Notification Event Notice"** means a notice to be given pursuant to clause 12 (*Notification*) of the Receivables Purchase Agreement in the form set out in schedule 8 (*Form of Notification Event Notice*) of the Receivables Purchase Agreement;

**"Obligor"** means, in respect of a Receivable, a Person (including consumers and businesses) obliged to make payments under a Financing Contract;

**"Obtained Consents"** means, in relation to a Transaction Party, the consents which such Transaction Party has received from any other party or the licences, approvals or authorisations of any government authority in connection with such Transaction Party's entry into or performance of Transaction Documents to which it is a party;

**"Offering"** means the offering in connection with this Prospectus;

**"Officer"** in relation to a person, means any officer, employee or agent of that person;

**"Officer's Certificate"** means, in respect of any Transaction Party, a certificate from such Transaction Party in, or substantially in, the form of the document so named set out in schedule 5 (*Form of Seller's Officer's Certificate*) of the Receivables Purchase Agreement;

"OFT" means the Office of Fair Trading;

"Originator" means FRB London;

"Option to Purchase Fee" means, in respect of a HP Contract, HP+ Contract or PCP Contract, the fee required to be paid by the Obligor under the Financing Contract in order to purchase the Financed Object;

"Original LTV" means, in relation to each Purchased Receivable, the loan-to-value ratio as of the date of origination of such Purchased Receivable;

"Outstanding" means, in relation to the Notes of the relevant class, all the Notes issued other than:

- (a) those Notes which have been redeemed in full pursuant to the Trust Deed and the Conditions;
- (b) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including premium (if any) and all interest payable thereon) have been duly paid to the Trustee or to the Paying Agent, as applicable, in the manner provided in the Paying Agency Agreement (and where appropriate notice to that effect has been given to the relevant Noteholders in accordance with the Conditions) and remain available for payment against presentation of the relevant Notes;
- (c) those Notes which have become void under Condition 13 (*Prescription*);
- (d) (for the purpose only of ascertaining the Principal Amount Outstanding of the Notes and without prejudice to the status for any other purpose of the relevant Notes) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 14 (*Replacement of Notes*) and those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 14 (*Replacement of Notes*); and
- (e) any Global Note to the extent that it shall have been exchanged for another Global Note in respect of the Notes of the relevant class or for the Notes of the relevant class in definitive form pursuant to its provisions,

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Noteholders of any class, an Extraordinary Resolution in writing as envisaged by paragraph 23 of schedule 5 (*Provisions for Meetings of Noteholders*) of the Trust Deed and any direction or request by the holders of Notes of any class;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of clauses 7 (*Enforcement*) and 8 (*Proceedings*) of the Trust Deed, Conditions 11 (*Enforcement Events*) and 12 (*Enforcement*) and schedule 5 (*Provisions for Meetings of Noteholders*) to the Trust Deed;
- (iii) any right, discretion, power or authority (whether contained in the Trust Deed, any other Transaction Document or vested by operation of law) which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders or any class thereof; and
- (iv) the determination by the Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders or any class thereof,
  - (A) until such time as the Class A Notes and the Class B Notes have been repaid in full and the remaining notes are held in their entirety by FRB London, FirstRand International Limited or members of the FRB Group, those Notes (if any) which are for the time being held by or on behalf of or for the benefit of FRB London, FirstRand International Limited or members of the FRB Group shall (unless and until ceasing to be so held) be deemed not to remain outstanding; and
  - (B) those Notes (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer, the Servicer, the Back-up Servicer or any other successor servicer or any of their respective subsidiaries or holding companies, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding,

*provided*, in the case of paragraphs A and (B), the Trustee shall assume that no such Notes are held by any of the parties referenced in paragraphs (A) and (B) unless notified to the contrary in writing;

**"Pan Credit"** means Pancredit Systems Limited, Pancredit House, 12 Moorfield Close, Yeadon, Leeds, LS19 7YA United Kingdom;

**"Participating Member State"** means at any time any member state of the European Union that has adopted the euro as its lawful currency in accordance with the Treaty;

**"Paying Agency Agreement"** means the paying agency agreement entered into by the Issuer, the Trustee and the Agents on or about the Closing Date;

**"Paying Agent"** means HSBC Bank plc;

**"Payment Date"** means, in respect of the first such Payment Date, 20 February 2018, and in respect of any subsequent Payment Date, the 20th of each calendar month, or, in the event such day is not a Business Day, then on the next following Business Day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day;

**"PCP Contract"** or **"PCP"** means each personal contract purchase agreement entered into between an Obligor and FRB London in the form of a Standard Form Contract which provides for a balloon Final Payment Amount and under which at the end of the contract term an Obligor may choose to either:

- (a) make a *balloon* payment of the Final Payment Amount and Option to Purchase Fee and take title of the Financed Object, or
- (b) return the Financed Object to the Seller in lieu of making such Final Payment Amount, in each case pursuant to the terms of such contract;

**"PCP Contract Vehicle Sale Actual Proceeds"** means, in respect of a Redelivery PCP Contract that is a Purchased Receivable, the proceeds realised by the Servicer from the sale of the relevant Redelivered Vehicle net of any costs incurred by the Servicer in connection with such sale;

**"PCP Contract Vehicle Sale Expected Proceeds"** means, in respect of a Redelivery PCP Contract that is a Purchased Receivable, the amount of the Final Payment Amount of such Redelivery PCP Contract that would have been payable by the relevant Obligor(s) had such PCP Contract not become a Redelivery PCP Contract;

**"PCP GFV Loss"** means, in respect of a Purchased Receivable that is a Redelivery PCP Contract, an amount equal to the amount by which the PCP Contract Vehicle Sale Actual Proceeds in respect of such Redelivery PCP Contract received by the Servicer are less than the PCP Contract Vehicle Sale Expected Proceeds in respect of such Redelivery PCP Contract;

**"PCP Recoveries"** means, with respect to any calendar month, an amount equal to the aggregate of all amounts (other than scheduled payments) received during such month in respect of PCP Contracts with respect to which the related Financed Object was finally sold (whether to the user thereof or any other party), including the proceeds received during such month in respect of Financed Objects sold pursuant to such PCP Contracts and the amounts received during such month in respect of excess mileage pursuant to such PCP Contracts;

**"PCP Residual Value"** means, with respect to any PCP Contract, the Receivable representing the Final Payment Amount under such PCP Contract;

**"Performing Principal Outstanding Amount of the Loans"** means, as calculated on each Calculation Date, the Aggregate Principal Balance less the Month-end Aggregate Defaulted Receivables and the Month-end Aggregate Voluntarily Terminated Receivables, in each case as at the end of the Monthly Period immediately preceding the relevant Calculation Date;

**"Permanent Global Note"** means in respect of each Class of Notes the permanent global bearer notes without Coupons attached representing each such Class as more specifically described in Condition 2 (*Form, Denomination and Title*);

**"Permitted Encumbrance"** means:

- (a) any Encumbrance created or subsisting with the prior written consent of the Trustee;
- (b) any lien or rights of set-off arising by operation of law, statute, regulation or other mandatory provisions (including but not limited to consumer protection and telecommunications law) or in the ordinary course of business;
- (c) any netting or set-off arrangement entered into by FRB London or the Servicer in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances or any Encumbrance granted to the bank holding the Collection Account in accordance with the general business terms of such bank; and
- (d) any title transfer, conditional sale or retention of title arrangement entered into by FRB London or the Servicer in the ordinary course of business;

**"Permitted Investments"** means any amount standing to the credit of the Issuer Account and the Cash Reserve Account invested by the Account Bank (acting on the instructions of the Cash Manager who shall give such instruction at the direction of the Servicer acting on behalf of the Issuer), provided that a Permitted Investment shall:

- (a) be a Sterling deposit;
- (b) be held at or made with an institution having at least the Minimum Rating;
- (c) have a payment at maturity at least equal to the amount invested;
- (d) allow for amounts to be withdrawn at any time without penalty before the next Payment Date;
- (e) constitute "cash equivalents" as contemplated by the Volcker Rule; and
- (f) not produce a negative return.

**"Person"** means an individual, partnership, corporation (including a business trust), unincorporated association, trust, joint stock company, limited liability company, joint venture or other entity, or a government or political subdivision, agency or instrumentality thereof;

**"Portfolio"** means, on any day, the aggregate of all Purchased Receivables;

**"Post-Enforcement Order of Priority"** means the priority of payments described in Condition 12.3 (*Enforcement - Post-Enforcement Order of Priority*) of the Conditions;

**"Potential Cash Manager Termination Event"** means any event which would, but for the lapse of time and/or, the giving of notice and/or the making of a relevant determination, constitute a Cash Termination Event;

**"PPI"** means payment protection insurance in relation to the financing contracts;

**"Pre-Enforcement Order of Priority"** means the priority of payments described in Condition 8.8 (*Payments - Pre-Enforcement Order of Priority*) of the Conditions;

**"Prepayment"** means the repayment in full or in part of a Purchased Receivable by the relevant Obligor prior to the scheduled termination date of the relevant Financing Contract;

**"Principal Amortisation Amount"** means the lower of:

- (a) the Available Distribution Amount as at the Calculation Date immediately preceding the relevant Payment Date less, to the extent the Pre-Enforcement Order of Priority applies, all amounts falling due and payable under items (a) to (i) as the case may be of the Pre-Enforcement Order of Priority on such Payment Date; and
- (b) the Expected Amortisation Amount;

**"Principal Amount"** means, in relation to the Notes of the relevant class, the original principal amount of the Notes of such class on issuance;

**"Principal Amount Outstanding"** means in relation to the Notes of the relevant class, the Principal Amount less the aggregate of any principal repayments in respect of the Notes of such class made in accordance with the Conditions;

**"Principal Balance"** in respect of a Purchased Receivable (or any other Receivable, as the context may require), as at a relevant date, means the principal amount outstanding (excluding, for the avoidance of doubt, any upfront fees and any capitalised fees and/or capitalised interest) of that Purchased Receivable (or any other Receivable, as the case may be) as at the relevant Cut-Off Date less the aggregate principal repayments or reductions, as applicable, in respect of that Purchased Receivable (or any other Receivable, as the case may be) already made as at such relevant date (since the relevant Cut-Off Date) including, without double-counting, by way of:

- (a) payments by or on behalf of the relevant Obligor(s);
- (b) application of the proceeds from the sale of the relevant motor vehicle; and/or
- (c) a write-off in respect of the relevant Financing Contract (including but not limited to any write-offs as set out in limb (c) of the definition of "Principal Loss");

**"Principal Loss"** means, as at a relevant date:

- (a) the aggregate of:
  - (i) the Principal Balance of each Purchased Receivable that has become a Defaulted Receivable (including, for the avoidance of doubt, in respect of any Defaulted Receivable which is a PCP Contract, the Final Payment Amount) in each case as determined at the point at which such Purchased Receivable became a Defaulted Receivable; and
  - (ii) the portion remaining unpaid by an Obligor of the Principal Balance of each Purchased Receivable where a Voluntary Termination has been exercised (as determined at the point at which such Voluntary Termination is exercised),

in each case, since the relevant Cut-Off Date, less

- (b) any amounts received as a result of recovery procedures carried out by the Servicer in relation to Defaulted Receivables and Voluntary Terminations for the same period, plus
- (c) the aggregate of the PCP GFV Loss of each Purchased Receivable that is a Redelivery PCP Contract and where either:
  - (i) the Redelivered Vehicle has been sold by the Servicer since the relevant Cut-Off Date;
  - (ii) the Redelivered Vehicle has become an Unsold Redelivered Vehicle since the relevant Cut-Off Date, less
- (d) any other proceeds related to all Redelivery PCP Contracts for the same period;

**"Priority of Payments"** means the Pre-Enforcement Order of Priority and the Post-Enforcement Order of Priority;

**"Prospectus"** means the prospectus dated on or about the Closing Date prepared in connection with the issue by the Issuer of the Notes;

**"Prospectus Directive"** means Directive 2003/71/EC as amended by Directive 2010/73/EU including, where the context requires, Commission Regulation (EC) No. 809/2004 and any relevant implementing measure in each relevant Member State of the European Economic Area;

**"Provisional Payments Report"** means the payment report prepared by the Cash Manager pursuant to Condition 7.4 (*Redemption and Cancellation - Mandatory Redemption in part*);

**"Provisional Pool"** means the Receivables comprised in the pool of Receivables on the Provisional Pool Date;

**"Provisional Pool Date"** means 31 December 2017;

**"Purchase Date"** means the Closing Date or any Additional Purchase Date;

**"Purchase Notes"** means the Class A Notes and the Class B Notes;

**"Purchase Price"** means the Initial Purchase Price or the Additional Purchase Price, as applicable;

**"Purchased Receivables"** means the Initial Purchased Receivables and the Additional Purchased Receivables;

**"Purchased Receivables Pool"** means the pool of Purchased Receivables;

**"Purchased Receivable Records"** means the original and/or any copies of the Financing Contracts and all documents, books, records and information, in whatever form or medium, relating to the Financing Contracts, including all computer tapes and discs specifying, among other things, Obligor details, the amount and dates on which payments are due and are paid under the Financing Contracts, which are from time to time maintained by the Servicer or the Seller with respect to the Purchased Receivables and/or the related Obligors;

**"Rate of Interest"** means the Class A Notes Interest Rate or Class B Notes Interest Rate or the Class C Notes Interest Rate or the Class D Notes Interest Rate, as applicable;

**"Rated Notes"** means the Class A Notes and the Class B Notes and each a **"Rated Note"**;

**"Rate-for-Risk Contracts"** means Financing Contracts which are offered to customers who are categorised as higher-risk by the Seller as determined in accordance with the Customary Operating Practices;

**"Rating Agencies"** means S&P and DBRS;

**"Realised Loss"** means with respect to a Purchased Receivable in respect of which:

- (a) recovery proceedings commenced by the Servicer have been completed; or
- (b) a Voluntary Termination has been exercised, the Principal Balance of such Purchased Receivable on the date on which the recovery proceedings are completed or the Voluntary Termination is exercised, taking into account all Collections and other recoveries, if any, in respect of such Purchased Receivable;

**"Receivables"** means any amount which is due under a Financing Contract owed to the Seller by an Obligor including, for the avoidance of doubt but without limitation, the Collections and the Ancillary Rights relating to such Receivable;

**"Receivables Purchase Agreement"** means the document entitled "Receivables Purchase Agreement" and entered into between the Issuer, the Seller, the Servicer and the Trustee dated on or about the Closing Date;

**"Receiver"** or **"receiver"** means any receiver or administrative receiver who (in the case of an administrative receiver) is a qualified person in accordance with the Insolvency Act and who is appointed by the Trustee under the Deed of Charge in respect of the Issuer Security and includes more than one such receiver and any substituted receiver;

**"Redelivered Vehicle"** means, if a PCP Contract is a Redelivery PCP Contract, the relevant Financed Object returned by the Obligor (or a dealer or third party on the Obligor's behalf) to the Servicer;

**"Redelivery PCP Contract"** means a PCP Contract under which the Obligor opts to make full and final settlement of a PCP Contract by redelivery to the Servicer of the Financed Object financed by such PCP Contract;

**"Reference Banks"** means (a) the banks named as such in Condition 6.3 (*Interest - Interest Rates on the Notes*) or (b) such other banks (being at least three in number) as may from time to time be appointed as such by the Issuer in accordance with the Conditions;

**"Regulated Financing Contracts"** means a Financing Contract which is regulated by the CCA;

**"Regulation S"** means Regulation S under the Securities Act;



**"Relevant Date"** means, in respect of any Notes, the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after the date on which notice is duly given to the Noteholders in accordance with Condition 18 (*Notices to Noteholders*) that, upon further presentation of the Notes being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation;

**"Relevant Information"** means any information relating to the transaction (or any individual item comprised therein) that is likely to have a material impact on the value or price of all or certain of the Notes and which is not already publicly available information;

**"Replacement Swap Counterparty"** means, upon the termination of the Interest Rate Swap Agreement and replacement of the Swap Counterparty, such replacement swap counterparty;

**"Replacement Swap Premium"** means, any replacement swap premium payable or received by the Issuer to or from a Replacement Swap Counterparty as a result of the termination of the Interest Rate Swap Agreement and the replacement of the Swap Counterparty with a Replacement Swap Counterparty;

**"Replacement Trigger"** means delivery of a notice in accordance with clause 6.1 of the Servicing Agreement;

**"Replenishment Amount"** means, on any Calculation Date occurring during the Revolving Period, the difference, if positive, between the aggregate Principal Amount Outstanding of all Notes as at that Calculation Date and the aggregate of (a) the Performing Principal Outstanding Amount of the Loans as calculated on the relevant Calculation Date and (b) the Initial Cash Reserve Amount;

**"Replenishment Ledger"** means the ledger to be created and maintained in the Issuer Account to record the Replenishment Amount;

**"Repurchase Amount"** means the amount payable by the Seller to the Issuer pursuant to the Receivables Purchase Agreement in relation to Non-Conforming Receivables which amount shall be the Principal Balance of the relevant Receivables together with any interest that has accrued as at the relevant Repurchase Date;

**"Repurchase Date"** means any date on which Receivables are repurchased by the Seller following a Repurchase Event;

**"Repurchase Event"** means the retransfer of a Non-Conforming Receivable pursuant to the terms of the Receivables Purchase Agreement;

**"Required Filings"** means, in respect of the Issuer:

- (a) the registration of a correctly completed form MR01 and an original executed copy (or, if acceptable, certified execution copy) of the Deed of Charge, the Assignment in Security and the Master Framework Agreement with the Registrar of Companies; and
- (b) the registration of any special resolutions, changes to the Memorandum and Articles of Association and variation of the directors or shareholders of the Issuer,

each in accordance with any relevant law;

**"Required Rating"** means:

- (a) with respect to DBRS, the long-term, unsecured and unsubordinated debt or counterparty obligations must be rated at least A by DBRS; or
- (b) with respect to S&P, the minimum required ratings for the S&P Option then in effect pursuant to the Interest Rate Swap Agreement;

**"Retained Interest"** means the randomly selected Receivables with an aggregate Principal Balance equal to at least 5% of the Principal Balance of the Purchased Receivables, that the Seller will retain and the Principal Balance of which may be reduced over time by, amongst other things, amortisation, allocation of losses or defaults on the underlying Receivables;

**"Revolving Period"** means the period commencing on the Closing Date and ending on the Amortisation Date;

**"S&P"** means Standard & Poor's Credit Market Services Europe Limited or any successor to its rating business;

**"S&P Option"** means, on any date, the option which applies to the terms of the Swap Agreement and which may be either S&P Option 1, S&P Option 2, S&P Option 3 or S&P Option 4 as the case may be (or any other applicable option which may be published by S&P from time to time);

**"Sanctions"** means any sanctions administered or enforced by the US Department of the Treasury's Office of Foreign Assets Control, the US Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury, or the Hong Kong Monetary Authority;

**"Scottish Declaration of Trust"** means the declaration of trust to be granted by the Seller in favour of the Issuer pursuant to clause 3.4 (*Sale of Initial Purchased Receivables*) and clause 4.6 (*Sale of Additional Purchased Receivables*) of the Receivables Purchase Agreement;

**"Scottish Financing Contract"** means any Financing Contract entered into with either (a) Obligors who are (i) consumers and (ii) resident in Scotland or (b) Obligors where the relevant Financed Object is located in Scotland, to the extent that such Financing Contracts are governed by Scots law;

**"Scottish Receivables"** means all Purchased Receivables derived from Scottish Financing Contracts;

**"Scottish Trust"** means any trust in respect of Scottish Receivables constituted pursuant to the procedures referred to in the Receivables Purchase Agreement;

**"Scottish Trust Property"** means the benefit of the Scottish Receivables and all Collections received in respect of such Scottish Receivables, together with all funds, property, interest, right, title and proceeds, deriving from or relating to such Scottish Receivables which the Seller is required to hold on trust for the Issuer;

**"Scottish Vehicle Sales Proceeds"** means vehicle sale proceeds in respect of Scottish Receivables;

**"Scottish Vehicle Sales Proceeds Floating Charge"** means the Scots law governed floating charge granted by the Seller in favour of the Issuer in respect of the Scottish Vehicle Sales Proceeds pursuant to clause 3.4 of the Receivables Purchase Agreement;

**"Second Required Rating"** means with respect to DBRS, the long-term, unsecured and unsubordinated debt or counterparty obligations must be rated "BBB" or above by DBRS and, with respect to S&P, the minimum required ratings for the S&P Option then in effect pursuant to the Interest Rate Swap Agreement.;

**"Secured Obligations"** means all duties and liabilities of the Issuer which the Issuer has covenanted with the Trustee to pay to the Noteholders, the Couponholders and the other Transaction Creditors pursuant to clause 2 (*The Issuer's Covenant to Pay*) of the Deed of Charge;

**"Securities Act"** means the U.S. Securities Act of 1933 as amended from time to time;

**"Security Protection Notice"** means a notice delivered by the Trustee to the Issuer substantially in the form of schedule 1 to the Deed of Charge;

**"Seller"** means FRB London;

**"Seller Power of Attorney"** means the power of attorney granted by the Seller to the Issuer and the Trustee substantially in the form set out in schedule 7 to the Receivables Purchase Agreement;

**"Servicer"** means FRB London unless the engagement of FRB London as servicer of the Issuer is terminated in which case Servicer shall mean the replacement Servicer (if any);

**"Servicer Fee"** means:

- (a) in the case of the Servicer Fee to be paid on the first Payment Date falling 20 February 2018, an amount equal to the Servicer Fee Rate applied to the Aggregate Initial Cut-Off Date Principal Balance divided by 365 and multiplied by 32 (being the number of calendar days between the Closing Date and 20 February 2018); and

- (b) for each subsequent Monthly Period, one-twelfth of the Servicer Fee Rate multiplied by the Aggregate Principal Balance as at the beginning of the preceding Monthly Period;

**"Servicer Fee Rate"** means 0.1% per annum;

**"Servicer Records"** means the original and/or any copies of all documents and records, in whatever form or medium, relating to the Services including all computer tapes, files and discs relating to the Services;

**"Servicer Replacement Event"** means either of the following events:

- (a) any delay or failure (and such failure is (if capable of remedy) not remedied within three Business Days of notice of such failure being given) by the Servicer to duly observe or perform in any material respect any of its covenants or agreements which delay or failure materially and adversely affects the rights of the Issuer, the Trustee or the Noteholders, provided that such delay or failure of performance will not constitute a Servicer Replacement Event for a period of 150 days if such delay or failure was caused by an event beyond the reasonable control of the Servicer, an act of God or other similar occurrence; or
- (b) the Servicer suffers an Insolvency Event;

**"Servicer Termination Date"** means the date of termination of the appointment of the Servicer pursuant to the Servicing Agreement, being the later of the date specified in the notice given by the Issuer pursuant to clause 6.1 (*Servicer Replacement and Termination*) of the Servicing Agreement and the appointment of a successor Servicer pursuant to clause 6.11 (*Servicer Replacement and Termination*);

**"Servicer's Systems"** means the Servicer's Pancredit system or any other similar portfolio data system used by the Servicer;

**"Services"** means the services to be provided by the Servicer as set out in schedule 1 (*Services to be provided by the Servicer*) to the Servicing Agreement;

**"Servicing Agreement"** means the servicing agreement between the Servicer, the Issuer, the Seller, the Cash Manager and the Trustee dated on or about the Closing Date;

**"Servicing Report"** means the report so named prepared by the Servicer in accordance with paragraph 2 of part 8 (*Provision of information*) of schedule 1 (*Services to be Provided by the Servicer*) to the Servicing Agreement;

**"Servicing Report Delivery Failure"** will occur in the event that the Cash Manager does not receive, or there is a delay in the receipt of, some or all the information necessary for it to prepare the Investor Report in respect of any Calculation Date;

**"Servicing Report Performance Date"** means 12 February 2018, and, in respect of each subsequent calendar month, the 10th day of each calendar month or if this is not a Business Day, the next succeeding Business Day;

**"Share Trustee"** means MaplesFS UK Group Services Limited;

**"Signing and Closing Agenda"** means the agenda so initialled as being in "agreed form" by the Issuer on or before the Closing Date to confirm its agreement with its terms, as the same may be amended from time to time;

**"Signing Date"** means 22 January 2018;

**"Solvency II"** means Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking up and pursuit of the business of Insurance and Reinsurance;

**"Solvency II Regulation"** means Regulation (EU) 2015/35 of 10 October 2014 supplementing Solvency II;

**"South Africa"** means the Republic of South Africa;

**"Specified Cash Reserve Account Required Balance"** means an amount determined:

- (a) on the Closing Date, as being equal to 0.7% of the Aggregate Initial Cut Off Date Principal Balance; or

- (b) on a Calculation Date, being equal to either:
- (i) on each Calculation Date prior to the end of the Revolving Period, 1.3% of the Aggregate Initial Cut Off Date Principal Balance; or
  - (ii) after the end of the Revolving Period, on each Calculation Date prior to the earlier of (x) the redemption in full of the Rated Notes or (y) the Payment Date on which the Principal Amount Outstanding of the Rated Notes becomes equal to or less than the balance standing to the credit of the Cash Reserve Account immediately prior to such Payment Date, 1.3% of the Aggregate Principal Balance as at the end of the immediately preceding Monthly Period subject to a minimum of 0.5% of the Aggregate Initial Cut Off Date Principal Balance; or
  - (iii) on each Calculation Date following the earlier of (x) the redemption in full of the Rated Notes, (y) the Payment Date on which the Principal Amount Outstanding of the Rated Notes becomes equal to or less than the balance standing to the credit of the Cash Reserve Account immediately prior to such Payment Date, or (z) the Payment Date preceding the Final Maturity Date, zero;

**"Specified Office"** means, in relation to any Agent:

- (a) the office specified against its name in the Notices Details; or
- (b) such other office as such Agent may specify in accordance with the Paying Agency Agreement;

**"Standard Form Contract"** means the standard forms of Financing Contracts listed in schedule 6 to the Master Framework Agreement;

**"Sterling", "Pounds Sterling", "GBP" and "£"** denote the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;

**"Subordinated Termination Payment"** means the excess of any Swap Termination Payment due and payable by the Issuer to the Swap Counterparty under the Interest Rate Swap Agreement following termination of the Interest Rate Swap Agreement as a result of the occurrence of any Event of Default or Termination Event (other than a Tax Event, Force Majeure, Illegality (in each case as defined in the Swap Agreement) or an Additional Termination Event set out in parts 1(q)(i) to (iv) of the schedule to the Swap Agreement) where the Swap Counterparty is the Defaulting Party or the sole Affected Party (as applicable, and in each case as defined in the Swap Agreement) over any amounts paid by any Replacement Swap Counterparty to the Issuer in relation to such Event of Default or Termination Event;

**"Swap Agreement"** means the 1992 ISDA Master Agreement (Multicurrency - Cross Border), the associated schedule and the Swap Credit Support Document, in each case dated on or about the Closing Date and entered into between the Issuer and HSBC Bank plc;

**"Swap Amounts"** means, in respect of a Payment Date, amounts calculated pursuant to the terms of the Interest Rate Swap Agreement, on such Payment Date, but excluding:

- (a) any transfers of Swap Collateral to be made under the Swap Credit Support Document;
- (b) any Swap Termination Payment then due to the Swap Counterparty;
- (c) any payments to be made in respect of any Replacement Swap Premium; and
- (d) any payments to be made by the Issuer to the Swap Counterparty in respect of Tax Credits (as defined in the Swap Agreement) received by the Issuer in respect of the Interest Rate Swap Agreement;

**"Swap Collateral"** means any collateral posted in accordance with the Swap Credit Support Document;

**"Swap Collateral Cash Account"** means the Sterling account in the name of the Issuer opened by the Issuer at the Account Bank into which cash amounts of Swap Collateral are transferred pursuant to the terms of the Swap Credit Support Document;

**"Swap Collateral Custody Account"** means an account in the name of the Issuer opened by the Issuer and located in England and Wales, into which securities are transferred as Swap Collateral pursuant to the terms of the Swap Credit Support Document;

**"Swap Counterparty"** means HSBC Bank plc, and in its capacity as interest rate swap counterparty pursuant to the Interest Rate Swap Agreement;

**"Swap Credit Support Document"** means the credit support annex to the Swap Agreement in the form of a 1995 ISDA Credit Support Annex (Transfer English Law);

**"Swap Guarantor"** means, in respect of the Swap Counterparty, such guarantor as may be appointed in accordance with the provisions of the Interest Rate Swap Agreement;

**"Swap Termination Payment"** means a payment due to the Swap Counterparty by the Issuer or a payment due to the Issuer by the Swap Counterparty, including interest that may accrue thereon, under the Interest Rate Swap Agreement as a result of the termination of the Interest Rate Swap Agreement due to the occurrence of an Event of Default or Termination Event (in each case as defined in the Swap Agreement). For the avoidance of doubt, any such payment shall include any amount due to the Swap Counterparty under the Interest Rate Swap Agreement where the Swap Counterparty is the Defaulting Party or the Affected Party (in each case as defined in the Swap Agreement) but shall exclude any Subordinated Termination Payment;

**"Systems"** means any computer hardware or software or related intellectual property rights;

**"TARGET2"** means the Trans-European Automated Real-time Gross settlement Express Transfer system;

**"TARGET2 Day"** means any day on which TARGET2 is open;

**"Tax Authority"** means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world, including H.M. Revenue & Customs (and any successor thereto);

**"Taxes"** means any present or future taxes, levies, duties, charges, fees, deductions or withholdings of any nature whatsoever (and whatever called) imposed, assessed or levied by any competent fiscal authority having power to tax, and shall include any interest or penalties which may attach as a consequence of failure to pay on the due date and/or non-payment, and **"Tax"**, **"Taxation"**, **"taxes"**, **"tax"** and similar words shall be construed accordingly;

**"Temporary Global Note"** means in respect of each Class of Notes the temporary global bearer note without Coupons or talons attached as more specifically described in Condition 2 (*Form, Denomination and Title*);

**"Transaction"** means the transaction as set out in the Transaction Documents;

**"Transaction Creditors"** means the Noteholders, the Couponholders, the Trustee, any Receiver, the Paying Agent, the Agent Bank, the Account Bank, the Cash Manager, the Corporate Services Provider, the Servicer, the Back-up Servicer, the Swap Counterparty, the Expenses Loan Provider, any Appointee and any other Person expressed from time to time to be a Transaction Creditor;

**"Transaction Documents"** means the Trust Deed, the Deed of Charge, the Paying Agency Agreement, the Cash Management Agreement, the Account Agreement, the Swap Agreement, the Interest Rate Swap Agreement, the Receivables Purchase Agreement, the Servicing Agreement, the Back-up Servicing Agreement, the Corporate Services Agreement, the Assignment in Security and the Scottish Declaration of Trust, the Scottish Vehicle Sales Proceeds Floating Charge, the Amendment and Restatement Deed relating to a Collection Accounts Declaration of Trust, the Collection Accounts Declaration of Trust, the Class A and B Note Purchase Agreement, the Class C and D Note Purchase Agreement, the Expenses Loan Agreement, the Master Framework Agreement and the Issuer-ICSDs Agreement;

**"Transaction Parties"** means the Issuer, the Seller, the Servicer, the Corporate Services Provider, the Cash Manager, the Back-up Servicer, the Account Bank, the Trustee, the Paying Agent, the Class A and B Note Purchaser, the Class C and D Note Purchaser, the Agent Bank, the Swap Counterparty, the Expenses Loan Provider and any other party to a Transaction Document and **"Transaction Party"** means any of them;

**"Transfer Date"** means each Friday or, if such day is not a Business Day, the immediately following Business Day;

**"Treaty"** means the Treaty establishing the European Union, as amended by the Treaty on European Union and the Treaty of Amsterdam;

**"Trust Corporation"** means a corporation entitled by rules made under the Public Trustee Act 1906 or entitled pursuant to any other comparable legislation applicable to a trustee in any other jurisdiction to carry out the functions of a custodian trustee;

**"Trust Deed"** means the Trust Deed dated on or about the Closing Date and entered into by the Issuer and the Trustee;

**"Trustee"** means HSBC Corporate Trustee Company (UK) Limited;

**"UK"** or **"the United Kingdom"** means the United Kingdom of Great Britain and Northern Ireland;

**"UK Bribery Act"** means the United Kingdom Bribery Act of 2010;

**"United Kingdom Tax Authority"** means Her Majesty's Revenue & Customs;

**"United States"** means, for the purpose of issue of the Notes and the Transaction Documents, 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, America Samoa, Wake Island and the Northern Mariana Islands);

**"Unsold Redelivered Vehicle"** means a Redelivered Vehicle which has not been sold by the Servicer within 90 Business Days after the PCP Contract became a Redelivery PCP Contract;

**"U.S. Risk Retention Rules"** means the rule under which the securities offered by the Prospectus may not be sold to, or for the account or benefit of, any U.S. person (as defined in Regulation RR (17 C.F.R part 246) implementing the risk retention requirements of section 15g of the U.S. Securities Exchange Act of 1934, as amended;

**"UTCC Regulations"** means the Unfair Terms in Consumer Contracts Regulations 1999;

**"Value Added Tax"** and **"VAT"** mean:

- (a) in the United Kingdom, value added tax as provided for in the Value Added Tax Act 1994 ("**VATA**") (as amended or re-enacted in each case from time to time) and legislation supplemental thereto;
- (b) in any EU Member State (as defined in section 96 VATA), the tax levied in any such EU Member State pursuant to the Council Directive of 28 November 2006 on the harmonisation of the laws of the EU Member States relating to turnover taxes - common system of value added tax: uniform basis of assessment - Directive 2006/112/EC; and
- (c) outside the United Kingdom and any EU Member State, any tax of a similar nature to value added tax (including, without limitation, sales tax),

in each case, at the rate in force when the relevant supply is made, and includes any tax of a similar nature substituted for, or levied in addition to, such tax;

**"VAT Adjustment"** means the adjustment to the amount of VAT payable under the Financing Contracts, either by way of Regulation 38 of the Value Added Tax Regulations 1995, or by way of bad debt relief under section 36 VATA;

**"VAT Adjustment Amount"** means an amount to be paid by the Servicer to the Issuer pursuant to the Servicing Agreement, being an amount equal to the reduction in the amount of VAT payable (either by way of Regulation 38 of the Value Added Tax Regulations 1995 or by way of bad debt relief under section 36 VATA) to HM Revenue & Customs by the Seller in respect of Financed Objects following the termination or enforcement of the relevant Financing Contracts, net of any additional VAT payable to HM Revenue & Customs by the Seller in respect of any subsequent disposal of Financed Objects;

**"VAT Component"** means the amount of each payment made in respect of a Receivable which represents payment in respect of the VAT charged on the original sale of the Financed Object to which the Receivable relates;

**"Volcker Rule"** means Section 13 of the Bank Holding Company Act of 1956, as amended, and the applicable rules and regulations thereunder;

**"Voluntarily Terminated Receivable"** means a Purchased Receivable in relation to which a Voluntary Termination has been exercised;

**"Voluntary Termination"** means the termination of a Regulated Financing Contract by the relevant Obligor pursuant to section 99 of the CCA at any time before the last payment thereunder falls due;

**"Warranties"** means the warranties and representations given by the Seller in the Receivables Purchase Agreement in relation to the Initial Purchased Receivables and the Additional Purchased Receivables respectively (and as the context requires);

**"Weighted Average Effective Rate"** means the weighted average of the Effective Rates applicable to the Purchased Receivables in the Portfolio;

**"Weighted Average Original LTV"** means the weighted average of the Original LTVs of the Purchased Receivables in the Portfolio;

**"Weighted Average Remaining Term"** means the weighted average of the outstanding time to maturity under each of the Purchased Receivables in the Portfolio.

In this Glossary of Defined Terms words denoting the singular number only shall also include the plural number and vice versa, words denoting one gender only shall include the other genders and words denoting individuals only shall include firms and corporations and vice versa.

For the avoidance of doubt and unless the context otherwise requires, any references to "**ratings**" or "**rating**" in this Prospectus are to ratings assigned by the specific Rating Agencies only.

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