

**BASE PROSPECTUS**  
**DATED 5 OCTOBER 2021**  
**Cars Alliance UK Master Plc**

*(a public limited company incorporated under the laws of England and Wales with registered number 13384308)*

Legal entity identifier (LEI): 213800LZLB6DYOC9O996  
Securitisation Transaction Unique Identifier: 213800CRVG6PXY31L182N202101

Notes	Initial Note Principal Amount	Note Issue Price	Note Interest Rate	Payment Date	Legal Maturity Date	Final Maturity Date	Ratings at issue (Fitch/S&P)
Series of Class A Notes <sup>1</sup>	The amount specified as such in the respective Final Terms	The amount specified as such in the respective Final Terms	The fixed interest amount specified as such in the respective Final Terms (being equal to or below the Maximum Note Interest Rate)	20 <sup>th</sup> day of each month	For Series Notes, the date specified as such in the respective Final Terms	For Series of Notes, the date specified as such in the respective Final Terms	AAAsf/AAA(sf)
Series of Class B Notes	The amount specified as such in the respective Final Terms	The amount specified as such in the respective Final Terms	The fixed interest amount specified as such in the respective Final Terms (being equal to or below the Maximum Note Interest Rate)	20 <sup>th</sup> day of each month	For Series Notes, the date specified as such in the respective Final Terms	For Series of Notes, the date specified as such in the respective Final Terms	Unrated

For reference to the definitions of capitalised terms appearing in this Base Prospectus, see "GLOSSARY OF TERMS".

**Programme Establishment** Under this GBP 1,600,000,000 programme for the issuance of asset backed notes (the "**Programme**"), Cars Alliance UK Master Plc (the "**Issuer**") may issue asset backed fixed rate Class A Notes and asset backed fixed rate Class B Notes (together, the "**Notes**") denominated in GBP, subject always to compliance with all legal and/or regulatory requirements. The applicable terms to any Notes will be agreed between the Issuer and

<sup>1</sup> The Issuer only expects to issue one Series of Notes under this Programme

the relevant purchaser prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes attached to, or incorporated by reference into, the relevant global note (each a "**Global Note**") or definitive note (each a "**Definitive Note**"), as applicable, representing such Notes, as completed by the applicable Final Terms (as defined below) attached to, or incorporated by reference into, such Global Note or Definitive Note (as applicable).

**Issuance Series** in The Issuer will issue the relevant Class of Notes in series. A series will (a) be issued on a single date and (b) be subject to the same Conditions (a "**Series**").

As at the date of this Base Prospectus, the Issuer contemplates that only one Series of Notes, Series 2021-1, will be issued under the Programme. The initial issuance of a Series (the "**Initial Notes**") comprising Series 2021-1 is expected to take place on the 7 October 2021 (the "**Initial Issue Date**"). The Series 2021-1 Class B Notes are not offered under this Base Prospectus.

During the Revolving Period, the Issuer may issue further Notes of a Class and a Series on any Further Issue Date under the Programme to be consolidated with and form a single series with the existing Class and Series (the "**Further Notes**").

**Final Terms** For each issue of Notes (comprising the Initial Notes and any Further Notes), final terms to this Base Prospectus (each such final terms referred to as "**Final Terms**") will be provided as a separate document. The Final Terms must be read in conjunction with this Base Prospectus.

**Proceeds of issuance** The proceeds of the Initial Notes issued on the Initial Issue Date and any Further Notes issued on any Further Issue Dates will be used to finance the purchase of Receivables arising against individual residents in England, Wales, Scotland or Northern Ireland or corporate entities registered in England, Wales, Scotland or Northern Ireland (the "**Obligors**") under the Finance Agreements pursuant to which RCI Financial Services Ltd (the "**Seller**") has granted fixed term financing to Obligors for the purpose of financing the purchase of a Vehicle, pursuant to the terms and conditions of the Master Receivables Transfer Agreement.

**Underlying Assets** The Receivables purchased by the Issuer from the Seller on the Initial Issue Date and the additional Receivables purchased from the Seller on each Transfer Date falling after the Initial Issue Date during the Revolving Period consist of Sterling-denominated monetary obligations of the Obligors arising from Finance Agreements after the relevant Cut-Off Date.

The Issuer will also purchase the Vehicle Sale Proceeds Receivables related to such Receivables which will consist of, in relation to any Redelivered Vehicle and any Repossessed Vehicle, the right of the Seller to receive the Vehicle Sale Proceeds arising from the sale of such related Redelivered Vehicle or Repossessed Vehicle to a third party.

Although the Obligor is the registered keeper of the Vehicle, the Seller retains title to the Vehicles. The Finance Agreements contain provisions entitling, but not obliging, the Obligor to purchase the Vehicle at the end of the hire period, normally on payment of a specified purchase fee.

**Revolving Period** In accordance with the Master Receivables Transfer Agreement and subject to the satisfaction of certain conditions precedent, the Issuer shall purchase from the Seller additional Eligible Receivables (the "**Additional Transferred Receivables**", together with the Transferred Receivables purchased by the Issuer on the Initial Issue Date (the "**First Transferred Receivables**"), the "**Transferred Receivables**") on each Transfer Date from the Initial Issue Date until the earlier of (i) the Payment Date falling in September 2025 (included) (the "**Revolving Period Scheduled End Date**") and (ii) the date on which a Revolving Period Early Termination Event occurs (such date being the "**Revolving Period**

**Termination Date**"), such period between the Initial Issue Date and the Revolving Period Termination Date being the "**Revolving Period**". The Transferred Receivables will be the principal source of payments of principal and interest on the Notes. On the Revolving Period Termination Date, the Revolving Period shall terminate and the Pre-Enforcement Amortisation Period shall start.

**Credit Enhancement**

In summary (see "*CREDIT STRUCTURE AND CASHFLOWS*" for further details):

- subordination of more junior ranking Classes of Notes;
- the amounts credited on the General Reserve Account which shall be funded up to the General Reserve Required Level; and
- the excess spread (if any).

**Subordinated Loan**

On the Initial Issue Date, RCI Financial Services Ltd (as the "**Subordinated Lender**") will grant the Subordinated Loan in a total initial nominal amount of GBP 10,417,000.00 to the Issuer in order to fund the General Reserve Account up to the General Reserve Required Level. Subject to the terms of the Subordinated Loan Agreement, the Subordinated Lender may agree from time to time to grant additional advances up to a total amount of the Subordinated Loan of GBP 16,000,000.00 provided that the Subordinated Lender shall be required to grant additional advances to the extent required to increase the loan amount to the General Reserve Increase Amount.

The Subordinated Loan ranks below the Notes with respect to payment of interest and principal.

**Liquidity Support**

Liquidity support for the Class A Notes is provided by the subordination of payments of interest on the Class B Notes and the General Reserve Account (including the cash deposit and any monies transferred from the General Collection Account in accordance with the Priority of Payments to the General Reserve Account, up to the General Reserve Required Level).

Liquidity support for the Class B Notes is provided by (only during the Post-Enforcement Amortisation Period and subject to the Post-Enforcement Period Priority of Payments) the General Reserve Account.

For further explanation, please see "*CREDIT STRUCTURE AND CASHFLOW*".

**Redemption Provisions**

The Notes will be subject to (i) partial early redemption following the occurrence of a Partial Early Amortisation Event during the Revolving Period and (ii) mandatory sequential redemption in whole or in part from time to time on each Payment Date during the Pre-Enforcement Amortisation Period.

**Credit Rating Agencies**

Ratings will be assigned to the Class A Notes by Fitch Ratings Limited ("**Fitch**") and S&P Global Ratings UK Limited ("**S&P**") on or before the Initial Issue Date.

UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the EU CRA Regulation, as it forms part of UK domestic law by virtue of the EUWA and amended by the Credit Rating Agencies (amendment etc.) (EU Exit) Regulation 2019 (the "**UK CRA Regulation**"). In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency, or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation.

Each of Fitch and S&P is a credit rating agency established in the UK and registered under the UK CRA Regulation.

The FCA is obliged to maintain on its website, <http://www.fca.org.uk/>, a list of credit rating agencies registered and certified in accordance with the UK CRA Regulation. This list must be updated within five working days of FCA's adoption of any decision to withdraw the registration of a credit rating agency under the UK CRA Regulation. Therefore, such list is not conclusive evidence of the status of the relevant rating agency as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated FCA list. Such website and its contents do not form part of this Base Prospectus.

Each of Fitch and S&P are included on the list of registered and certified credit rating agencies that is maintained by the FCA.

European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union ("EU") and registered under Regulation (EC) No 1060/2009 of the European Parliament (the "**EU CRA Regulation**") unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the EU CRA Regulation and such registration is not refused.

The rating Fitch will assign to the Notes will be endorsed by Fitch Ratings Ireland Ltd, which is established in the EU and registered under the EU CRA Regulation.

The rating S&P will assign to the Notes will be endorsed by S&P Global Ratings Europe Limited, which is established in the EU and registered under the EU CRA Regulation.

Each of Fitch Ratings Ireland Ltd and S&P Global Ratings Europe Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the EU CRA Regulation. Such website and its contents do not form part of this Base Prospectus.

### **Credit Ratings**

It is expected that the Class A Notes will, when issued, be assigned a rating of AAAsf by Fitch and a rating of AAA(sf) by S&P. The ratings assigned to the Notes by Fitch and S&P are based on the Transferred Receivables and the structural features of the transaction and address, among other matters:

- the likelihood of full and timely payments of interest due to the holders of the Class A Notes of interest on each Payment Date; and
- the likelihood of ultimate payment of principal to the holders of the Class A Notes on or prior to the Legal Final Maturity Date.

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

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

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

other rating agency. The ratings assigned to the Class A Notes by such other rating agency could be lower than the respective ratings assigned by the Rating Agencies.

**The assignment of ratings to the Class A Notes is not a recommendation to invest in the Notes. Any credit rating assigned to the Class A Notes may be revised or withdrawn at any time.**

**Listing**

This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Such approval relates only to the Class A Notes which are admitted to trading on a regulated market of Euronext Dublin or other regulated markets for the purpose of Directive 2014/65/EC or which are to be offered to the public in any Member State of the EEA. The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. The Class B Notes will not be listed.

This Base Prospectus may not be used to offer any Notes more than 12 months after the date of this Base Prospectus. Application will be made to have any Notes issued under the Programme during the first 12 months after the date of this Base Prospectus admitted to listing on the official list (the "**Official List**") of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and to trading on the regulated market of Euronext Dublin (the "**Regulated Market**"). Such approval relates only to the Notes which are admitted to trading on a regulated market of Euronext Dublin or other regulated markets for the purpose of Directive 2014/65/EC or which are to be offered to the public in any Member State of the EEA.

This Base Prospectus is valid until 5 October 2022. The obligation to supplement the Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Base Prospectus is no longer valid.

**Obligations**

The Notes offered pursuant to this Base Prospectus will be obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Notes will not be obligations of, or guaranteed by, or be the responsibility of the Seller, its affiliates or any other party to the Transaction Documents other than the Issuer.

**UK and EU Retention Undertaking**

The Seller is the originator for the purposes of Article 2(3) of the UK Securitisation Regulation and Article 2(3) of the EU Securitisation Regulation. The Seller is legally bound to comply with the provisions of the UK Securitisation Regulation and contractually agrees to comply with the provisions of the EU Securitisation Regulation. The Seller will retain, for the life of the transaction, a material net economic interest of at least 5% in the securitisation, as required by Article 6 of the UK Securitisation Regulation and Article 6 of the EU Securitisation Regulation. As of the Initial Issue Date, such interest will, in accordance with Article 6(3)(d) of the UK Securitisation Regulation and Article 6(3)(d) of the EU Securitisation Regulation, be retained through the holding of the Class B Notes and the Subordinated Loan. Any change to the manner in which such interest is held will be notified to investors.

See the section entitled "*RISK RETENTION AND SECURITISATION REGULATIONS REPORTING*" for more information.

**Simple, Transparent and Standardised**

As at the Initial Issue Date, no notification will be submitted to the UK Financial Conduct Authority (the "**FCA**"), in accordance with Article 27 of the UK Securitisation Regulation, confirming that the requirements of Articles 18 to 22 of the UK Securitisation Regulation have been satisfied with respect to the Notes (such notification, a "**UK STS Notification**"), and no notification will be submitted to ESMA, in accordance with Article 27 of the EU

**(STS) Securitisation** Securitisation Regulation, confirming that the requirements of Articles 18 to 22 of the EU Securitisation Regulation have been satisfied with respect to the Notes (such notification, an "**EU STS Notification**").

**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 1.20 of the U.S. Risk Retention Rules and no other steps have been taken by the Issuer, the Seller, the Arranger or any of their Affiliates or any other party to accomplish such compliance.

See the section entitled "*Risk Factors – U.S. Risk Retention*".

**Bank of England Eligibility** of Certain investors in the Class A Notes may wish to consider the use of the Class A Notes as eligible securities for the purposes of the Bank of England's Discount Window Facility ("**DWF**"), the Indexed Long-Term Repo ("**ILTR**") scheme or other liquidity schemes offered by the Bank of England from time to time. Recognition of the Class A Notes as eligible securities for the purposes of the DWF or the ILTR will depend upon satisfaction of the eligibility criteria as specified by the Bank of England. Please see the section entitled "*Risk Factors – Bank of England Eligibility*". The Class B Notes will not currently qualify for Bank of England eligibility.

**Volcker Rule** The Issuer is of the view that it is not a "covered fund" under the regulations adopted to implement section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), commonly known as the "**Volcker Rule**". Although other exclusions may be available to the Issuer, this conclusion is based on the exemption from the definition of "investment company" provided by Section 3(c)(5) of the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"). Any prospective investors, including U.S. or foreign banks or subsidiaries or other affiliates thereof, should consult their own legal advisers regarding such matters and other effects of the Volcker Rule.

**Significant Investor** It is expected that, in respect of Series 2021-1 to be issued on the Initial Issue Date, being the only Series to be issued under the Programme:

- (a) RCI Bank UK will acquire the Series 2021-1 Class A Notes; and
- (b) RCI Financial Services Ltd will acquire 100% of the Series 2021-1 Class B Notes.

Please refer to the section entitled "*SUBSCRIPTION AND SALE*" for further details.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission (the "**SEC**"), any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon the accuracy or adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence.

**THE "*RISK FACTORS*" SECTION OF THIS BASE PROSPECTUS 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.**

**Arranger**

**HSBC**

The date of this Base Prospectus is 5 October 2021.

## IMPORTANT NOTICE

This Base Prospectus constitutes a Base Prospectus for the purpose of the Prospectus Regulation. This Base Prospectus has been approved by the Central Bank, as competent authority under the Prospectus Regulation. The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Application has been made to Euronext Dublin for the Class A Notes to be admitted to the Official List and trading on its regulated market. Such approval relates only to the Notes which are admitted to trading on a regulated market of Euronext Dublin or other regulated markets for the purpose of Directive 2014/65/EC or which are to be offered to the public in any Member State of the European Economic Area ("EEA"). The Issuer designates Ireland as Home Member State for the purpose of the Notes to be issued and the approval of this Base Prospectus. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply, once the Notes are admitted to the Official List and trading on its regulated market.

The information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the Central Bank.

THE NOTES WILL BE OBLIGATIONS OF THE ISSUER ONLY. THE NOTES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY PERSON OTHER THAN THE ISSUER. IN PARTICULAR, THE NOTES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY OF THE ARRANGER, THE TRANSACTION PARTIES (OTHER THAN THE ISSUER) OR ANY COMPANY IN THE SAME GROUP OF COMPANIES AS ANY OF THE TRANSACTION PARTIES (OTHER THAN THE ISSUER). NO LIABILITY WHATSOEVER IN RESPECT OF ANY FAILURE BY THE ISSUER TO PAY ANY AMOUNT DUE UNDER THE NOTES SHALL BE ACCEPTED BY ANY OF THE ARRANGER, THE TRANSACTION PARTIES (OTHER THAN THE ISSUER), OR ANY COMPANY IN THE SAME GROUP OF COMPANIES AS THE ARRANGER OR THE TRANSACTION PARTIES (OTHER THAN THE ISSUER).

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED FROM TIME TO TIME (THE "**SECURITIES ACT**"). SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT).

FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON REALES OR TRANSFERS, SEE THE SECTION ENTITLED "SUBSCRIPTION AND SALE – SELLING RESTRICTIONS".

THE NOTES MAY NOT AT ANY TIME 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 REPRESENT AND AGREE 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. EACH PROSPECTIVE INVESTOR WILL BE REQUIRED TO MAKE THESE REPRESENTATIONS (A) ON OR ABOUT THE TIME OF THE ANNOUNCEMENT OF THE SECURITISATION TRANSACTION INVOLVING THE ISSUANCE OF THE NOTES AND (B) IF

SUCH REPRESENTATIONS HAVE NOT BEEN PREVIOUSLY MADE, AS A CONDITION TO PLACING ANY OFFER TO PURCHASE THE NOTES. THE ISSUER, THE SELER AND THE ARRANGER WILL RELY ON THESE REPRESENTATIONS, WITHOUT FURTHER INVESTIGATION.

THE CLASS A NOTES MAY NOT BE OFFERED, OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT (I) PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF, THE SECURITIES ACT AND (II) IN ACCORDANCE WITH AN EXEMPTION FROM THE U.S. RISK RETENTION RULES.

THE ISSUANCE OF THE CLASS A NOTES WAS NOT DESIGNED TO COMPLY WITH THE U.S. RISK RETENTION RULES OTHER THAN THE EXEMPTION UNDER SECTION 1.20 OF THE U.S. RISK RETENTION RULES, AND NO OTHER STEPS HAVE BEEN TAKEN BY THE ISSUER, THE SELLER, THE ARRANGER OR ANY OF THEIR AFFILIATES OR ANY OTHER PARTY TO ACCOMPLISH SUCH COMPLIANCE.

THE ISSUER IS OF THE VIEW THAT IT IS NOT A "COVERED FUND" UNDER THE "VOLCKER RULE". ANY PROSPECTIVE INVESTORS, INCLUDING U.S. OR FOREIGN BANKS OR SUBSIDIARIES OR OTHER AFFILIATES THEREOF, SHOULD CONSULT THEIR OWN LEGAL ADVISERS REGARDING SUCH MATTERS AND OTHER EFFECTS OF THE VOLCKER RULE.

There is no undertaking to register the Class A Notes under the securities laws or "blue sky" laws of any state or other jurisdiction of the United States. Until 40 days after the later of the commencement of the offering of the Class A Notes and the Initial Issue Date, an offer or sale of the Class A Notes within the United States by any dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to an exemption from the registration requirements of the Securities Act.

The Class B Notes will not be offered or sold in the United States or to U.S. Persons.

### **Governing Law**

The Notes, and all non-contractual obligations arising out of or in connection with them, are governed by, and will be construed in accordance with, English law.

### **Form of the Notes**

Each of the Class A Notes and the Class B Notes will be issued in registered form and in denominations of £100,000 and integral multiples of £1,000 in excess of £100,000, up to and including £199,000. Interests in each of the Class A Notes will be represented by a global registered note (each, a "**Global Note**"), without interest coupons attached. The Global Notes representing the Class A Notes will be deposited on the Initial Issue Date with one of Euroclear Bank SA/NV, or "**Euroclear**" or Clearstream Banking S.A. or "**Clearstream, Luxembourg**" which will act as the Common Safekeeper for the Class A Notes. Except in certain limited circumstances, the global notes will not be exchangeable for registered definitive notes ("**Definitive Notes**") and no Definitive Notes will be issued with a denomination above £199,000. The Class B Notes will be represented by beneficial interests in Definitive Notes. Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum authorised denomination may be illiquid and difficult to trade.

### **Commercial Activities**

The Arranger and its respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer, the Seller and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Arranger and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the account of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Seller



or their affiliates. Certain of the Arranger or its affiliates that have a lending relationship with the Issuer, the Seller or their affiliates routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Arranger and its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Arranger and its respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### **Responsibility Statements**

The Issuer accepts responsibility for the information contained in this Base Prospectus and declares that, having taken all reasonable care to ensure such is the case, the information in this Base Prospectus, to the best of its knowledge, is in accordance with the facts and contains no omission likely to affect its import.

Where third party information has been used in this Base Prospectus, the source of such information has been identified. In the case of the presented statistical information, similar statistics may be obtainable from other sources, although the underlying assumptions and methodology, and consequently the resulting data, may vary from source to source. Where information has been sourced from a third party, such publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. As far as the Issuer is aware and able to ascertain from the information published by such third party sources, this information has been accurately reproduced and no facts have been omitted that would render the reproduction of this information inaccurate or misleading.

The Seller accepts responsibility for the information contained in the first paragraph of the section entitled "*RISK RETENTION AND SECURITISATION REGULATIONS REPORTING*" and the sections entitled "*PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA*" and "*THE SELLER AND THE SERVICER*" (but not, for the avoidance of doubt and to the extent applicable, any information in the sections cross-referred to in such sections) (together, the "**Seller Information**"). The Seller declares that, to the best of its knowledge and belief, having taken all reasonable care to ensure such is the case, the information in such sections is in accordance with the facts and contains no omission likely to affect its import. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Seller and the Servicer as to the accuracy or completeness of any information contained in this Base Prospectus (other than in the sections referred to above and not specifically excluded therein) or any other information supplied in connection with the Notes.

### **No representations about the Notes**

No person is authorised to give any information or to make any representation not contained in this Base Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Transaction Parties or the Arranger. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the fullest extent permitted by law, none of the Arranger or the Transaction Parties accepts any responsibility whatsoever for the contents of this Base Prospectus or for any other statement, made or purported to be made by the Arranger, the Transaction Parties or any other person or on their behalf in connection with the Issuer or the issue and offering of the Notes. Each of the Arranger and the Transaction Parties accordingly disclaims all and any liability whether arising in tort or contract or

otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement.

None of the Arranger, the Note Trustee and the Security Trustee, the Account Bank, the Cash Manager and the Agents shall be responsible for compliance of the Issuer, the Seller or any other Transaction Party with the requirements of the UK Securitisation Regulation and the EU Securitisation Regulation. Each potential purchaser of the Notes should determine the relevance of the information contained in this Base Prospectus or part hereof and the purchase of Notes should be based upon such investigation as each purchaser deems necessary.

None of the Arranger, the Issuer, the Note Trustee or the Security Trustee, the Account Bank, the Cash Manager or the Agents has or shall have any liability to any prospective investor or any other person for any insufficiency of such information or any non-compliance by any such person with the due diligence, retention and transparency rules set out in Article 5, Article 6 and Article 7 of the UK Securitisation Regulation and Article 5, Article 6 and Article 7 of the EU Securitisation Regulation or any other applicable legal, regulatory or other requirements, or has any obligation to provide any further information or take any other steps that may be required by any institutional investor to enable compliance by such person with the requirements of any due diligence and investor requirement or any other applicable legal, regulatory or other requirements.

### **Selling Restrictions**

The Notes have not been, and will not be, registered under the Securities Act, or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States. The Class A Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and under circumstances which would not require the Issuer to register under the Investment Company Act. In connection with the initial distribution of the securities offered hereby, the Class A Notes will be offered and sold only outside the United States to persons who are not U.S. Persons. The Class B Notes will not be offered or sold in the United States or to U.S. Persons. There has been and will be no public offering of the Notes in the United States.

Except with the prior consent of the Seller and where such sale falls within the exemption provided by Section 20 of the U.S. Risk Retention Rules, the Class A Notes may not be sold to, or for the account or benefit of, any Risk Retention U.S. Person. Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is similar to, but not identical to, the definition of "U.S. person" in Regulation S under the Securities Act ("**Regulation S**") and that persons who are not "U.S. persons" under Regulation S may be "U.S. persons" under the U.S. Risk Retention Rules.

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

No action has been taken by the Issuer or the Seller or the Arranger other than as set out in this Base Prospectus that would permit a public offering of the Notes, or possession or distribution of this Base Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus (nor any part hereof) nor any information memorandum, offering circular, form of application, advertisement or other offering materials may be issued, distributed or published in any country or jurisdiction except in compliance with applicable laws, orders, rules and regulations, and the Issuer and the Arranger have represented that all offers and sales by them have been made on such terms.

Neither this Base Prospectus nor any Final Terms constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates or an offer to sell or the solicitation of any offer to buy any of the securities offered hereby or thereby in any circumstances in which such offer or solicitation is unlawful. The distribution of this Base Prospectus (or of any part thereof) or any Final Terms and the offering and sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus (or any part thereof) comes are required by the Issuer and the Arranger to inform themselves about and to observe any such restrictions. Neither this Base Prospectus nor any Final Terms constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. For a further description of certain restrictions on offerings and sales of the Notes and distribution of this Base Prospectus (or of any part thereof) or any Final Terms see "*SUBSCRIPTION AND SALE*".

If you are in any doubt about the contents of this document you should consult, as appropriate, your legal advisor, stockbroker, bank manager, accountant or other financial advisor.

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

**It should be remembered that the price of securities and the income deriving from them may decrease.**

**It is expected that prospective investors interested in participating in this offering will conduct an independent investigation of the risks posed by an investment in the Notes. Prospective purchasers of the Notes must be able to hold their investment for an indefinite period of time.**

#### **UK MIFIR Product Governance / Professional investors and ECPs only target market**

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, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA ("**UK MiFIR**"); 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 the FCA Handbook Product intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") 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.

#### **UK PRIIPs Regulation / Prohibition of Sales to UK Retail Investors**

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 UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

## **PRIIPs Regulation / Prohibition of Sales to EEA Retail Investors**

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 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 the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor (as defined in the Prospectus Regulation). 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.

### **Interpretation**

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references 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.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "€" and "euros" are to the lawful currency of the Member States of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March, 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February, 1992), as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 November, 1997), as amended by the Treaty of Nice (signed in Nice on 26 February, 2001, as amended by the Treaty of Lisbon (signed in Lisbon on 13 December 2007)) and as subsequently amended from time to time.

Certain figures included in this Base 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 Base Prospectus, unless otherwise indicated, have the meanings set out in this Base Prospectus. A glossary of defined terms appears at the end of this Base Prospectus in the section headed "*GLOSSARY OF TERMS*".

### **Forward-Looking Statements**

Certain matters contained herein are forward-looking statements. Such statements appear in a number of places in this Base Prospectus, including with respect to assumptions on prepayment and certain other characteristics of the Finance Agreements and Transferred Receivables, and reflect significant assumptions and subjective judgments by the Issuer that may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "anticipates", "continues", "intends", "plans" or similar terms. Consequently, future results may differ from the Issuer's expectations due to a variety of factors, including (but not limited to) the economic environment and regulatory changes in the auto and consumer finance industry in the United Kingdom. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. The Arranger has not attempted to verify any such statements, nor does it make any representations, express or implied, with respect thereto. Prospective purchasers should therefore not place undue reliance on any of these forward-looking statements. None of the Arranger or the Transaction Parties assumes any obligation to update these forward-looking statements or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements.

## CONTENTS

<b>RISK FACTORS</b>	<b>1</b>
<b>DIAGRAMMATIC OVERVIEW</b>	<b>32</b>
<b>DIAGRAMMATIC OVERVIEW OF THE PROGRAMME</b>	<b>32</b>
<b>DIAGRAMMATIC OVERVIEW OF ON-GOING CASH FLOWS</b>	<b>33</b>
<b>DIAGRAMMATIC OVERVIEW OF THE OWNERSHIP OF THE ISSUER</b>	<b>34</b>
<b>TRANSACTION PARTIES ON THE INITIAL ISSUE DATE</b>	<b>35</b>
<b>PORTFOLIO AND SERVICING</b>	<b>38</b>
<b>OVERVIEW OF THE CONDITIONS OF THE NOTES</b>	<b>44</b>
<b>RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS</b>	<b>52</b>
<b>CREDIT STRUCTURE AND CASHFLOWS</b>	<b>59</b>
<b>TRIGGERS TABLES</b>	<b>65</b>
<b>FEES</b>	<b>72</b>
<b>LEGAL AND REGULATORY CONSIDERATIONS</b>	<b>73</b>
<b>RISK RETENTION AND SECURITISATION REGULATIONS REPORTING</b>	<b>82</b>
<b>DESCRIPTION OF THE NOTES</b>	<b>85</b>
<b>CONDITIONS OF THE NOTES</b>	<b>86</b>
<b>FORM OF FINAL TERMS</b>	<b>115</b>
<b>OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS</b>	<b>118</b>
<b>SOME IMPORTANT CONSIDERATIONS</b>	<b>138</b>
<b>DESCRIPTION OF THE PORTFOLIO</b>	<b>144</b>
<b>PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA</b>	<b>152</b>
<b>ESTIMATED WEIGHTED AVERAGE LIFE OF NOTES AND ASSUMPTIONS</b>	<b>200</b>
<b>THE ISSUER</b>	<b>202</b>
<b>HOLDINGS</b>	<b>204</b>
<b>THE SELLER AND THE SERVICER</b>	<b>205</b>
<b>THE NOTE TRUSTEE AND SECURITY TRUSTEE</b>	<b>207</b>
<b>THE CORPORATE SERVICES PROVIDER</b>	<b>208</b>
<b>THE ACCOUNT BANK</b>	<b>209</b>
<b>THE REGISTRAR AND PAYING AGENT</b>	<b>210</b>
<b>THE CASH MANAGER</b>	<b>211</b>
<b>TAXATION</b>	<b>212</b>
<b>SUBSCRIPTION AND SALE</b>	<b>214</b>
<b>USE OF PROCEEDS</b>	<b>217</b>
<b>GENERAL INFORMATION</b>	<b>218</b>
<b>GLOSSARY OF TERMS</b>	<b>221</b>
<b>INDEX OF DEFINED TERMS</b>	<b>260</b>

## RISK FACTORS

*The following is a summary of certain aspects of the issue of the Notes and the related transactions which prospective investors should consider before deciding to invest in the Notes.*

*An investment in the Notes involves a certain degree of risk, since, in particular, the Notes do not have a regular, predictable schedule of redemption. In addition, the Class B Notes will be subordinated to the Class A Notes as further detailed elsewhere in this Base Prospectus.*

*Prospective investors in the Notes should then ensure that they understand the nature of such Notes and the extent of their exposure to risk, that they:*

- (a) have sufficient knowledge, experience and access to professional advisers to make their own legal, tax, prudential, accounting and financial evaluation of the merits and risks of investment in such Notes and that they consider the suitability of such Notes as an investment in the light of their own requirements and financial condition;*
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of their particular financial condition, an investment in the Notes and the impact the Notes will have on their overall investment portfolio;*
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;*
- (d) understand thoroughly the terms of the Notes and are familiar with the behaviour of asset-backed securities markets; and*
- (e) are able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, Note Interest Rate and other factors that may affect their investment and their ability to bear the applicable risks.*

*Each prospective purchaser of Notes should consult its own advisers as to legal, tax, financial, credit, accounting and related aspects of an investment in the Notes. Each investor contemplating the purchase of any Notes should conduct an independent investigation of the financial condition and appraisal of the ability of the Issuer to pay its debts, the risks and rewards associated with the Notes and of the tax, accounting, prudential and legal consequences of investing in the Notes.*

*Prospective investors should also carefully consider the risk factors set out below, in addition to the other information contained in this Base Prospectus, in evaluating whether to purchase the Notes.*

*As more than one risk factor can affect the Notes simultaneously, the effect of a single risk factor cannot be accurately predicted. Additionally, risk factors may have a cumulative effect so that the combined effect on the Notes cannot be accurately predicted. No binding statement can be given on the effect of a combination of risk factors on the Notes.*

*Except as is otherwise stated below, such risk factors are generally applicable to all Classes of Notes, although the degree of risk associated with each Class of Notes will vary in accordance with the position of such Notes in the Priority of Payments.*

*The Notes are a suitable investment only for investors who are capable of bearing the economic risk of an investment in the Notes (including the risk that the investor shall lose all or a substantial portion of its investment) for an indefinite period of time with no need for liquidity and are capable of independently assessing the tax risks associated with an investment in the Notes. Furthermore, each prospective purchaser of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes:*

- (a) is fully consistent with its financial needs, objectives and condition;*

- (b) *complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it whether acquiring the Notes for its own account or on behalf of a third party; and*
- (c) *is a fit, proper and suitable investment for it (or if it is acquiring the Notes on behalf of a third party for such third party), notwithstanding the substantial risks inherent to investing in or holding the Notes.*

*The Issuer believes that the risks described below are the principal risks inherent in the transaction for the Noteholders, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the following statements regarding the risk of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus, including "Some Important Considerations", and reach their own views prior to making any investment decision.*

*For reference to the definitions of capitalised terms appearing in this Base Prospectus, see "GLOSSARY OF TERMS".*

## **1. RISKS RELATING TO THE ISSUER**

### **1.1 Liability under the Notes**

The Notes will be obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Notes will not be obligations of, or guaranteed by, or be the responsibility of the Seller, its affiliates or any other Transaction Party other than the Issuer.

All payment obligations of the Issuer under the Notes constitute exclusively obligations to pay out the sums standing to the credit of the General Collection Account and, in certain situations only, the General Reserve Account and the proceeds from the Security, in each case in accordance with (and subject to the specific provisions of) the applicable Priority of Payments. If, following the enforcement of the Security, the proceeds of enforcement prove ultimately insufficient, after payment of all claims ranking in priority to amounts due under the Notes, to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes, any shortfall arising will be extinguished and the Noteholders will neither have any further claim against the Issuer in respect of any such amounts nor have recourse to any other person for the loss sustained. The enforcement of the Security by the Security Trustee is the only remedy available to the Noteholders for the purpose of recovering amounts payable in respect of the Notes.

### **1.2 Limited resources of the Issuer**

The Issuer is a special purpose entity, with no business operations other than the issue of the Notes, the financing of the purchase of the Portfolio and the entrance into the related Transaction Documents. Therefore, the ability of the Issuer to meet its obligations under the Notes and its operating, administrative and other expenses will depend, *inter alia*, upon receipt of:

- payments of Collections under the Transferred Receivables, which in turn will be dependent on:
  - the receipt by the Servicer of Collections from Obligor in respect of the Transferred Receivables and the payment of those amounts by the Servicer to the Issuer in accordance with the Servicing Agreement and the Master Receivables Transfer Agreement; and
  - the Repurchase Price or Re-transfer Amount received by the Issuer in respect of a Re-transferred Receivable;
- the amount standing to the credit of the General Reserve Account and the Revolving Account;
- any net interest earned on the General Reserve Account, the General Collection Account and the Revolving Account;
- payments, if any, under the other Transaction Documents in accordance with the terms thereof.

Other than the foregoing, the Issuer will have no other funds available to meet its obligations under the Notes and its obligations ranking in priority to or *pari passu* with the Notes.



## 2. RISKS RELATING TO THE NOTES

### 2.1 Performance of Transferred Receivables Uncertain

The payment of principal and interest on the Notes is dependent on, among other matters, the performance of the Transferred Receivables. Accordingly, the Noteholders will be exposed to the credit risk of the Obligors, including the risk of default in payment by the Obligors. Neither the Seller nor the Issuer guarantees or warrants the full and timely payment by the Obligors of any scheduled repayments payable under the Transferred Receivables.

The performance of the Transferred Receivables depends on a number of factors, including general economic conditions, unemployment levels, the circumstances of individual Obligors (including his or her assets and liabilities as well as his or her ability to generate sufficient income to make the required payments), RCI Financial Services Ltd's underwriting standards at origination and the success of RCI Financial Services Ltd's servicing and collection strategies. Consequently, there can be no assurance as to how the Transferred Receivables (and accordingly the Notes) will perform based on credit evaluation scores or other similar measures. If the performance of the Transferred Receivables was adversely affected by such factors, the Issuer's ability to make payments of interest and/or principal on the Notes could be adversely affected. See "*RISK FACTORS – RISKS RELATING TO THE NOTES – The Covid-19 pandemic may have negative effects on the portfolio*".

In addition, there can be no assurance as to the future geographical distribution of the Obligors or the Vehicles and its effect, in particular, on the rate of amortisation of the Transferred Receivables. Although the Obligors are located throughout the United Kingdom, these Obligors may be concentrated in certain locations, such as densely populated or industrial areas. Any deterioration in the economic condition of the area(s) in which the Obligors are located (or any deterioration in the economic condition of other areas) may have an adverse effect on the ability of the Obligors to make repayments under the Finance Agreements and the ability of RCI Financial Services Ltd to sell the Vehicles following a repossession. A concentration of the Obligors in such area(s) may therefore result in a greater risk that the Noteholders will ultimately not receive the full principal amount of the Notes and interest thereon than if such concentration had not been present.

The rate of recovery upon an Obligor default may itself be influenced by various economic, tax, legal and other factors such as changes in the value of the Vehicles or the level of interest rates from time to time. There might be various risks involved in the sales of used vehicles which could significantly influence the amount of proceeds generated from the sale, e.g. high mileage and damage, less popular configuration (engine, colour etc.), oversized special equipment, large numbers of homogeneous types of vehicles coming to market in short time intervals, general price volatility in the used vehicles market, seasonal impact on sales or changes in customer preferences (for example, a movement away from diesel engines). See "*RISK FACTORS — RISKS RELATING TO THE NOTES – Risk of Early Repayment*".

The Issuer is also dependant on the ability of the Servicer, on behalf of the Issuer, to realise or recover sufficient funds under the Servicer's Underwriting and Collection Procedures in respect of any Finance Agreement and its related Vehicle in order to discharge all amounts due and owing by the relevant Obligor(s) under such Finance Agreement, which may adversely affect payments on the Notes. This risk is mitigated to some extent by certain credit enhancement features which are described in the section entitled "*Credit Structure and Cashflows*". However, no assurance can be made as to the effectiveness of such credit enhancement features, or that such credit enhancement features will protect the Noteholders from all risk of loss. Should there be credit losses arising in respect of the Finance Agreements, this could have an adverse effect on the ability of the Issuer to make payments of interest and/or principal on the Notes.

### 2.2 Subordination

Pursuant to the Priorities of Payments, the Class B Notes are subordinated in right of payment of principal and interest to the Class A Notes.

The Class A Notes will rank pro rata and pari passu without preference or priority among themselves at all times as to payments of interest and principal, as provided in the Conditions and the Transaction Documents.

The Class B Notes will rank pro rata and pari passu without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Notes, as provided in the Conditions and the Transaction Documents.

Pursuant to the Priorities of Payments, the Subordinated Loan is subordinated with respect to payment of interest and principal to the Notes.

In addition to the above, payments on the Notes are subordinate to payments of certain senior ranking fees, costs and expenses in accordance with the relevant Priority of Payments.

There is no assurance that these subordination rules will protect the Class A Noteholders from risk of loss.

### **2.3 Risk of Late Payment of Instalments**

Whilst each Finance Agreement has due dates for scheduled payments thereunder, there is no assurance that the Obligors under those Finance Agreements will pay in time, or at all. Obligors may default on their obligations due under the Finance Agreements for a variety of financial and personal reasons, including loss or reduction of earnings (including, and in particular, in relation to Obligors experiencing more volatile earnings and Obligors suffering the impact of being furloughed for a period of time or ultimately being made redundant by an employer as a result of the economic impact of Covid-19 and on-going uncertainty surrounding it), illness (including any illness arising in connection with an epidemic or a pandemic (for example, Covid-19)), divorce and other similar factors which may, individually or in combination lead to an increase in delinquencies by and bankruptcies of the Obligors. In addition, the Seller may, but is not obliged to, repurchase any Defaulted Receivables.

### **2.4 The Covid-19 pandemic may have negative effects on the Portfolio**

The world is currently experiencing an outbreak of a novel coronavirus (known as "**Covid-19**") which is having severe health, as well as unpredictable economic, effects across the world. On 11 March 2020, the Chief Medical Officer of the UK Government announced that the current outbreak of Covid-19 had reached epidemic proportion in the United Kingdom and the World Health Organisation also declared the current global outbreak of Covid-19 as a "global pandemic".

#### *Regulatory impact*

In the context of Covid-19, on 24 April 2020, the FCA published a package of measures to support motor finance consumers through the Covid-19 pandemic (as amended from time to time, the "**FCA Payment Deferral Guidance**"). Amongst other things, the FCA Payment Deferral Guidance provided that UK authorised firms which offer (or have acquired) regulated consumer credit or consumer hire agreements relating to motor vehicles should, where a customer is experiencing or reasonably expects to experience, payment difficulties as a result of circumstances relating to coronavirus, and wishes to receive a payment deferral, grant a customer a payment deferral for up to three months. The FCA Payment Deferral Guidance was subsequently amended by the FCA on 17 July 2020 and 19 November 2020. The current version of the FCA Payment Deferral Guidance is in force until 31 July 2021. The effect of that guidance is that a customer is entitled to request an initial payment deferral at any time before 31 March 2021. No single payment deferral should be granted in respect of more than three monthly payments and no payment deferral granted under the FCA Payment Deferral Guidance should be capable of extension beyond 31 July 2021. Where a customer has been granted a payment deferral under the FCA Payment Deferral Guidance, that customer should not be treated as being in arrears. On 30 September 2020, the FCA published draft additional guidance for firms, including motor finance providers, on what should happen at the end of existing payment deferral granted under the FCA Payment Deferral Guidance. An updated version of this additional guidance came into force on 25 November 2020 (the "**Additional FCA Tailored Support Guidance**"). The FCA Tailored Support

Guidance confirms that the FCA Payment Deferral Guidance will continue to apply to provide support to newly affected customers until 31 March 2021, with consumers able to receive an initial, or further, three month payment deferral until that date which could last until 31 July 2021. It also sets out the FCA's expectations on additional tailored forbearance being granted to those who have had payment deferrals but who remain in financial difficulties or those who are not eligible for a payment deferral under the FCA Payment Deferral Guidance. On 27 January 2021, the FCA published finalised guidance to update paragraph 1.2 and section 6 of the Additional FCA Tailored Support Guidance to set out the FCA's expectations and proposed approach to the repossession of goods and vehicles (the Additional FCA Tailored Support Guidance, as updated, the "**FCA Tailored Support Guidance**"). That finalised guidance provides that firms will be able to repossess such goods and vehicles from 31 January 2021, but this should only be done as a last resort and in accordance with all relevant government public health guidelines (including on social distancing and shielding). Where a customer has an agreed forbearance plan in place (including a payment deferral), repossession action should not be commenced or continued. The FCA also expects firms to exercise particular care when dealing with vulnerable customers carefully considering the potential impacts of repossession action on such customers.

#### *General impact*

More generally, Covid-19 has resulted in authorities worldwide, including those in the United Kingdom, implementing numerous measures and on multiple occasions to try to contain the virus, such as travel bans and restrictions, curfews, lockdowns, quarantines and shutdowns of businesses and workplaces. There is no certainty that such measures will be sufficient to mitigate the risks posed by Covid-19. Both Covid-19 and the related counter-measures have led to both increased volatility and declines in financial markets and significant worsening of the macroeconomic environment and its outlook (although a recovery has been seen over recent months). Given the unprecedented nature of the actions taken by governments following the onset of Covid-19, it is difficult to assess or predict the ultimate impact of Covid-19 and these counter-measures on the economy. There is a risk that economic measures taken in response to Covid-19, may be concealing a more serious underlying deterioration in both the economy and the circumstances of Obligors generally or in certain sectors specifically. There can be no assurance that any such economic measures providing financial support for Obligors will continue at all or continue at pre-existing levels and once such economic measures are withdrawn or reduced, there may be an increased risk of default by the Obligors.

#### *Impact on Obligors*

The overall impact of the Covid-19 pandemic on the performance of the Transferred Receivables is difficult to predict and will develop over time. As at the Initial Cut-off Date, none of the Receivables of the Portfolio as at the Initial Cut-Off Date have historically been subject to Covid-19 forbearance measures. Even though such Receivables are no longer subject to any such forbearance measures, they may be at greater risk of experiencing financial difficulties, falling into arrears and/or being subject to further forbearance measures in the future. There can be no assurance that upon completion or withdrawal of such forbearance measures, Obligors will return to their historic payment behaviours or make timely payments on their Finance Agreements. The impact of Covid-19 on the Portfolio and the wider UK economy is currently difficult to measure or anticipate.

Increased levels of payment deferrals and restrictions on repossessions may result in a reduction of funds available to the Issuer to meet its obligations under the Notes. Further, the FCA, or other UK government or regulatory bodies, may take further steps in response to the Covid-19 pandemic in the UK which may impact the performance of the Transferred Receivables, including further amending and extending the scope of the FCA Payment Deferral Guidance and the FCA Tailored Support Guidance. If the timing of the payments as well as the quantum of such payments in respect of the Transferred Receivables is adversely affected by this guidance or any of the risks described above, then payments on the Notes could be reduced and/or delayed and could ultimately result in losses on the Notes.

Moreover, once the immediate impact of Covid-19 subsides (including the withdrawal of the various measures put in place by the government in relation to the pandemic), the economic impact of Covid-19 (including any recession, economic slowdown, increase in unemployment levels, increase in interest

rates and increase in taxes (including in response to increased UK government debt) and decrease in income levels) that have occurred or may occur in the future, may continue to adversely affect Obligors and their ability to make timely payments under their Finance Agreements and have an adverse effect on the ability of the Issuer to make payments due on the Notes. Such factors would equally apply if the UK were to experience other health crises, epidemics or pandemics similar in nature to Covid-19. Further, the FCA Payment Deferral Guidance and the FCA Tailored Support Guidance could have an adverse effect on the residual values of the Vehicles as well as RCI Financial Services Ltd's ability to undertake repossessions in a timely fashion or indeed at all for a period, where customers are in breach.

The above matters could have an adverse effect on the Issuer's ability to make payments under the Notes.

## **2.5 Risk of Early Repayment**

In the event that the Finance Agreements underlying the Transferred Receivables are prematurely terminated or otherwise settled early, the Noteholders will (not taking into account any loss suffered by the Issuer with respect to some or all of the Transferred Receivables, which is described above) be repaid the principal which they invested, but will receive interest for a period of time that is shorter than the period stipulated in the respective Finance Agreement. In addition, faster than expected repayments on the Transferred Receivables may reduce the yield of the Notes.

The rate of prepayment of the Transferred Receivables cannot be predicted and is influenced by a wide variety of economic and other factors, including prevailing interest rates, the buoyancy of the auto 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 Transferred Receivables will experience. Based on assumed rates of prepayment, the approximate average lives and principal payment windows of each Class of Notes are set out in the section entitled "*EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS*". However, the actual characteristics and performance of the Transferred Receivables will differ from such assumptions and any difference will affect the percentages of the initial amount outstanding of the Notes which are outstanding over time and the weighted average lives of the Notes. See "*Risk Factors – RISKS RELATING TO THE NOTES – Performance of Transferred Receivables is unknown*".

In addition, the conditions of the Notes provide for redemption of the Notes (i) in part in a total amount equal to the Partial Early Amortisation Amount following the occurrence of a Partial Early Amortisation Event during the Revolving Period and (ii) in whole following the exercise by the Seller of its Clean-Up Call on any Payment Date following the Calculation Date on which the Aggregate Principal Outstanding Balance of the Transferred Receivables is equal to or less than 10% of the Aggregate Principal Outstanding Balance of the Transferred Receivables as at the Initial Cut-Off Date.

Any exercise by the Issuer or the Obligor of its rights to redeem the Notes or terminate the Finance Agreement (as applicable) may result in the Notes being redeemed earlier than anticipated by the Noteholders.

## **2.6 Deferral of interest payments**

If, on any Payment Date in relation to any Class of Notes (other than the then Most Senior Class of Notes outstanding), the Issuer has insufficient funds to make payment in full of all amounts of interest payable in respect of any of the junior-ranking Classes of Notes (after having paid or provided for items of higher priority in the relevant Priority of Payments), then the Issuer will be entitled under Condition 6 (*Deferral of interest and subordination*) to defer payment of that amount (to the extent of the insufficiency) until the following Payment Date on which sufficient funds are available to fund the payment of such deferred interest to the extent of such available funds, in accordance with the Conditions.

Only failure to pay interest on the then Most Senior Class of Notes outstanding when the same becomes due and payable shall constitute an Issuer Event of Default under the Notes which may result in the Security Trustee enforcing the Security.

**2.7 The Revolving Period will end if a Revolving Period Early Termination Event occurs**

Additional Eligible Receivables may be purchased by the Issuer on each Transfer Date during the Revolving Period in accordance with the Master Receivables Transfer Agreement. However, following the occurrence of a Revolving Period Early Termination Event, the Revolving Period will terminate and no additional Eligible Receivables may be sold by the Seller to the Issuer after the date of the event. If a Revolving Period Early Termination Event occurs (other than the Revolving Period Scheduled End Date), the Revolving Period would terminate before the Revolving Period Scheduled End Date and no additional Eligible Receivables may be sold by the Seller to the Issuer after the date of the event, in which case the Noteholders would receive redemptions earlier than expected.

### 3. RISKS RELATING TO THE TRANSFERRED RECEIVABLES AND THE VEHICLES

#### 3.1 Regulatory framework – Finance Agreements regulated by the Consumer Credit Act 1974 (as amended)

The Financial Conduct Authority of the United Kingdom (the "**FCA**") is responsible for the consumer credit regime in the UK. The FCA regulates firms in the sector both prudentially and through extensive conduct of business requirements intended to ensure that business across the sector is conducted in a way which advances the interests of all users and participants.

The FCA has been the regulator of consumer credit activities since April 2014 and it is still evolving its practices in connection with the consumer credit regime. In light of this it is possible that it will take further action to impose stricter rules on current practices of consumer credit regulated firms. It is possible that the actions it takes as regulator, as well as any adverse decision or award made by the Financial Ombudsman Service (as to which see the section "*LEGAL AND REGULATORY CONSIDERATIONS – Financial Ombudsman Service*") will have an effect on the Finance Agreements, the Seller, the Issuer and their respective businesses and operations, which may, in turn, affect the Issuer's ability to make payments in full on the Notes when due.

United Kingdom consumer protection laws regulate consumer credit contracts, including the Regulated Finance Agreements (as defined below). If a Finance Agreement does not comply with these laws (some of which are set out below), the Servicer may be prevented from or delayed in enforcing all or parts of the Finance Agreement and collecting amounts due on the related Transferred Receivable and this could lead to significant disruption and have an adverse effect on the ability of the Issuer to make payments of interest and/or principal on the Notes. In addition, certain rights (set out in detail below) must be granted to the Obligor and where the Obligor exercises any one of these rights, this may adversely affect the Issuer's ability to make payments in full when due on the Notes due to reduced sums being payable or the Obligor exercising a set-off right.

The regulatory framework for consumer credit activities in the UK consists of the Financial Services and Markets Act 2000 ("**FSMA**") and its secondary legislation, retained provisions in the Consumer Credit Act 1974 (as amended) and its retained associated secondary legislation (the "**CCA**"), and rules and guidance in the FCA Handbook, including the Consumer Credit sourcebook ("**CONC**"). The application of the CCA to the Finance Agreements which are regulated by the CCA (such Finance Agreements, the "**Regulated Finance Agreements**") will have certain consequences as set out in the section "*LEGAL AND REGULATORY CONSIDERATIONS – Finance Agreements regulated by the Consumer Credit Act 1974 (as amended) – Regulatory framework*".

No assurance can be given that any regulatory action or guidance in respect of United Kingdom consumer protection laws will not have a material adverse effect on the Finance Agreements and accordingly on the Issuer's ability to make payments in full when due on the Notes. For further details on consumer protection laws, how they apply to the Seller and the Transferred Receivables, see the section "*LEGAL AND REGULATORY CONSIDERATIONS*".

#### 3.2 Non-Existence of Portfolio

If due to an untrue Receivables Representation it is determined that a Transferred Receivable does not exist, the Seller will indemnify and pay to the Issuer the Repurchase Price in respect of such Transferred Receivable in accordance with the Master Receivables Transfer Agreement. If a Finance Agreement relating to a Transferred Receivable proves not to have been legally valid as of the relevant Cut-Off Date, the Seller will, pursuant to the Master Receivables Transfer Agreement, repurchase such Transferred Receivable and pay to the Issuer a Repurchase Price in an amount equal to the then Principal Outstanding Balance of such Transferred Receivable (together with any associated costs in respect of such repurchase). If any Transferred Receivables do not exist and no Repurchase Price is paid by the Seller, then this may result in Losses for the Noteholders.

### 3.3 Reliance on representations

The Issuer has not undertaken or will undertake or cause to be undertaken any investigations, searches or other actions as to the status of the Obligors, the Finance Agreements or the Receivables and the Issuer will rely instead solely on the representations made by the Seller, including the Receivables Representations, in respect of such matters in the Master Receivables Transfer Agreement (for a description of these representations please see section "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENT – The Master Receivables Transfer Agreement").

If any party to the Master Receivables Transfer Agreement (including the Seller in its capacity as Servicer under the Transaction Documents) becomes aware that any Receivables Representation was untrue or incorrect (by reference to the facts and circumstances then subsisting at the relevant date on which such Receivable Representation was given) in relation to any Transferred Receivables, the party discovering such breach will give prompt written notice thereof to the others in accordance with the Master Receivables Transfer Agreement. Unless such breach has been cured in all respects, on the next CM Reporting Date after the Collection Period in which such discovery or receipt of notice of breach occurred, the Seller will repurchase such Transferred Receivables (including the related Ancillary Rights and Vehicle Sale Proceeds Receivables) (the "**Affected Receivables**") in accordance with the Master Receivables Transfer Agreement at an amount equal to the aggregate Repurchase Price in respect of such Affected Receivables.

If the Seller is unwilling or unable to perform its obligations to repurchase any Transferred Receivable, the Issuer will remain the owner of the relevant Transferred Receivable and will be reliant on the cash flows generated by it, if any, to meet its obligations in respect of the Notes.

### 3.4 Finance Agreements

The Issuer does not have any rights in, over or to the Vehicles that are financed by the Finance Agreements - it only has rights in connection with the sale proceeds of those Vehicles. Accordingly, in the event of any insolvency of RCI Financial Services Ltd, the Issuer is reliant on any administrator or liquidator of RCI Financial Services Ltd taking appropriate steps to sell such Vehicles. Because the sale proceeds have been transferred to the Issuer, this will be of no value to RCI Financial Services Ltd' 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 (or the Servicer on behalf of the Issuer) will pay, in accordance with the Priority of Payments, any administrator or liquidator's costs and expenses in selling such Vehicles and an Administrator Recovery Incentive Fee; however there can be no certainty that any administrator or liquidator would take such actions and no contractual obligations on RCI Financial Services Ltd to do so that would be enforceable against RCI Financial Services Ltd or an administrator or liquidator thereof after the commencement of the administration or liquidation of RCI Financial Services Ltd.

Furthermore, following an Insolvency Event which occurs in respect of RCI Financial Services Ltd it will no longer be required to repurchase Transferred Receivables which become RV Receivables pursuant to the Master Receivables Transfer Agreement. The realisation proceeds relating to such Vehicles may be lower than the RV Receivables Repurchase Price paid under the Master Receivables Transfer Agreement.

The Seller has granted the Vehicle Floating Charge expressed to be governed by English law (provided that any term particular to Scots law shall be construed in accordance with Scots law) over the Vehicles financed by the Finance Agreements relating to Transferred Receivables in the Portfolio and the Vehicle Sale Proceeds.

### 3.5 PCP Agreements and reliance on residual value

Under Finance Agreements which are PCP Agreements, at the end of the term of the PCP Agreement, an Obligor may either settle the contract by paying the Final Instalment and the related Option to Purchase Fee (and thereby purchase the Vehicle) or return the Vehicle to RCI Financial Services Ltd in full and final settlement of the PCP Agreement.

Pursuant to the Master Receivables Transfer Agreement, provided that an Insolvency Event has not occurred in respect of the Seller, the Seller will repurchase any Transferred Receivables which have become RV Receivables. The Seller will purchase any such RV Receivable (including the related Ancillary Rights and Vehicle Sale Proceeds Receivable) (the Seller's commitment to repurchase being the "**RV Receivables Repurchase Commitment**"), at an amount equal to the aggregate RV Receivables Repurchase Price in respect of such RV Receivable (and the Seller shall transfer such amount to the General Collection Account on the CM Reporting Date).

There can be no assurance, however, that RCI Financial Services Ltd will be able to sell the related Vehicle such that the proceeds remitted to the Issuer from the sale of Vehicle returned by a Obligor in lieu of a final balloon payment will be sufficient to cover the residual value of the Vehicle as anticipated at the outset of the Finance Agreement. This may result in the Issuer receiving less than it would have expected in respect of the related Transferred Receivable, which could impact on the ability of the Issuer to make payments on the Notes.

### **3.6 Commingling of Collections**

The Servicer is obliged to pay or cause to be paid all Collections (other than, so long as the Servicer is the Seller, any Excluded Proceeds) or any other amounts due under a Transferred Receivable into the Servicer Collection Account and transfer or cause to be transferred any amounts in respect of Collections (other than, so long as the Servicer is the Seller, any Excluded Proceeds) in respect of the Transferred Receivables into the General Collection Account on the Business Day following the day on which such funds are available in the Servicer Collection Account. Before remittance, the Servicer may use Collections at its own risk and for its own benefit and may commingle Collections on the Receivables with its own funds. If the Servicer does not deposit these amounts to the General Collection Account by the next Payment Date (which could occur if an Insolvency Event occurs in respect of the Servicer), payments on the Notes could be reduced or delayed.

### **3.7 Market Value of Transferred Receivables**

There is no assurance that the market value of the Transferred Receivables will at any time be equal or greater than the Note Principal Amount Outstanding for any Class of Notes and Series of Notes.

### **3.8 Subsequent Purchases of Receivables**

Subject to the Seller being able to generate Eligible Receivables and satisfaction of the conditions precedent for the acquisition of Eligible Receivables by the Issuer, it is the intention of the Seller to sell from time to time additional Eligible Receivables to the Issuer during the Revolving Period. The Issuer will acquire additional Eligible Receivables from the Seller on the same terms and conditions as the Transferred Receivables assigned to the Issuer on the Initial Issue Date. However, there is no guarantee as to the frequency with which the Seller will sell Eligible Receivables to the Issuer or the amount of Eligible Receivables that will be sold on any such occasion. There can therefore be no certainty as to the rate at which the Issuer will amortise the Class A Notes.

### **3.9 Auto sector transformation and market value of Vehicles**

The automotive sector is undergoing a technology driven transformation which, together with any other general developments in the automotive sector, may have implications for auto finance portfolios.

RCI Financial Services Ltd is dependent on developments in automotive trends, which are subject to a variety of factors that it cannot influence. Technological obsolescence, the availability of popular electric vehicle models, new technologies such as autonomous driving software, shifts in demand patterns, the expansion of public transport infrastructure, the evolution of oil prices and renewable energy prices and infrastructure and changes in government policy (including the imposition of carbon taxes and other regulatory measures to address climate change, pollution or other negative impacts of mass transport) may result in some vehicle types experiencing greater volatility in the level of recoveries and residual values compared to that seen historically. A negative development of any of the above mentioned factors may affect the use of vehicles in general and therefore RCI Financial Services Ltd's business.



For example, certain types of diesel vehicles (such as Euro 5 and older models) were affected, or may in the near future become affected, by low emission zones or bans in certain cities or regions. Several cities, including Birmingham, Nottingham, Southampton, Derby and Leeds, set up 'Clean Air Zones' in 2019. In April 2019, an Ultra-Low Emission Zone (ULEZ) was introduced in London that affects all diesel vehicles that do not meet Euro 6 standards. London's ULEZ will be expanded to include the inner London area bounded by the North and South Circular Roads from 25 October 2021. Several other cities, including Birmingham and Bath are expected to set up 'Clean Air Zones' in 2021, with Oxford also proposing to pilot a Zero Emissions Zone starting in summer 2021. The government in the United Kingdom has also introduced a range of charges and taxes that affect diesel drivers. Higher VED charges came into effect for new diesels on 1 April 2018 and the company car tax levied on diesel cars has increased from 3% to 4%. In addition, any new diesel car that fails to meet the new Real Driving Emissions 2 (RDE2) standard is subject to a higher tax in the first year. In addition, a number of Continental European cities are considering implementing bans on diesel-powered vehicles from their city centres and the UK government has announced that new diesel- and petrol-powered vehicles will be banned in the UK from 2030. As a result of these developments, the market prices of used diesel vehicles in the United Kingdom could be affected. Similarly, the rise in popularity of alternative fuel vehicles may introduce uncertainty in the future price trends of both legacy engine types and alternative fuel vehicles themselves because of evolutions in technology, battery costs and government incentives.

Subject to the above paragraph, used car residual values in the UK are remaining relatively stable; however, these may reduce in future (especially in relation to certain types of vehicles, for example, those with diesel or petrol engines). RCI Financial Services Ltd's HP Agreements are fully amortising and, therefore, are only exposed to residual values in the event of a customer default or voluntary termination. Please see the risk factor "*PCP Agreements and reliance on residual value*" above in respect of RCI Financial Services Ltd's PCP Agreements. A reduction in the residual value of Vehicles will increase the net loss of defaults on any Transferred Receivables which are defaulted or subject to voluntary termination. In such circumstances a reduction in the residual value of Vehicles related to Transferred Receivables could reduce amounts available to the Issuer to make payments of interest and principal under the Notes. RCI Financial Services Ltd controls the amount lent against each vehicle value and monitors residual values on loans that fall into arrears closely as well as recovery rate trends through its cars sold at auction.

## 4. RISKS RELATING TO THE NOTES AND THE STRUCTURE

### 4.1 Equitable Assignment

Assignment by the Seller to the Issuer of the benefit of the Eligible Receivables (and the Ancillary Rights) derived from Finance Agreements which are 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 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 encumbrancer or assignee of RCI Financial Services Ltd's rights who has no notice of the assignment to the Issuer;
- (b) notice to an Obligor would mean that the Obligor should no longer make payment to RCI Financial Services Ltd as creditor under the Finance Agreement but should make payment instead to the Issuer. If the Obligor were to ignore a notice of assignment and pay RCI Financial Services Ltd for its own account, the Obligor might still be liable to the Issuer for the amount of such payment. However, for so long as RCI Financial Services Ltd remains the Servicer under the Servicing Agreement, RCI Financial Services Ltd also is the agent of the Issuer for the purposes of the collection of the Transferred Receivables and will, accordingly, be accountable to the Issuer for any amount paid to RCI Financial Services Ltd in respect of the Transferred Receivables;
- (c) notice to the Obligor would prevent RCI Financial Services Ltd and the Obligor amending the relevant Finance Agreement without the involvement of the Issuer. However, RCI Financial Services Ltd as Servicer will undertake for the benefit of the Issuer that RCI Financial Services Ltd will only amend, prolong, modify or waive the terms of any Transferred Receivable or amend, modify or waive any term or condition of any Finance Agreement in accordance with the Underwriting and Collection Procedures; and
- (d) lack of notice to the Obligor means that the Issuer will have to join RCI Financial Services Ltd as a party to any legal action which the Issuer may want to take against any Obligor. RCI Financial Services Ltd as Seller will, however, undertake for the benefit of the Issuer that RCI Financial Services Ltd will lend its name to, and take such other steps as may be required by the Issuer or the Security Trustee in relation to any action in respect of the Transferred Receivables and RCI Financial Services Ltd grants the Issuer a power of attorney in this regard (the "**Seller Power of Attorney**").

Until notice is given to the Obligor, equitable set-off rights (such as for misrepresentation or breach of contract as referred to in "*LEGAL AND REGULATORY CONSIDERATIONS - Liability for misrepresentations and breach of contract and set-off*") may accrue in favour of an Obligor in respect of his obligation to make payments under the relevant Finance Agreement. These may, therefore, result in the Issuer receiving less cash than anticipated from the Transferred Receivables. The assignment of any 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. However, where the set-off by an Obligor is connected with an Finance Agreement (as would be the case for claims in respect of Vehicle defects or may be the case if the Seller provides insurance or maintenance services), the Obligor may exercise a right of set-off (or an analogous right in Scotland), irrespective of any notice given to it of the assignment to the Issuer. The exercise of any such equitable set-off rights may adversely affect the Issuer's ability to make payments in full when due on the Notes.

Perfection 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 Perfection Events or any action taken by the Seller, the Issuer or the Security Trustee or any other party in relation thereto.

### 4.2 Historical information, forecasts, projections and estimates

The historical information set out in particular in "*DESCRIPTION OF THE PORTFOLIO*" is based on the historical experience and present procedures of the Seller. None of the Transaction Parties (other than the Seller) or the Arranger have undertaken or will undertake any investigation or review of, or search to verify, the historical information. There can be no assurances as to the future performance of the Transferred Receivables.

Estimates of the weighted average lives of the Notes included in this Base Prospectus together with any other projections, forecasts and estimates are supplied for information only and are forward-looking statements. Such projections, forecasts and estimates are speculative in nature, and it can be expected that some or all of the underlying assumptions may differ or may prove substantially different from the actually realised figures. Consequently, the actual results might differ from the projections and such differences may be significant. The measures introduced by authorities in response to the Covid-19 Pandemic are unprecedented and may exacerbate these risks (see further the section "*RISK FACTORS – REGULATORY AND MACRO-ECOMONIC RISKS RELATING TO THE NOTES – The Covid-19 Pandemic may affect liquidity of the Notes*" below).

#### **4.3 Limited data and due diligence on the Portfolio**

None of the Arranger nor the Transaction Parties or any other person has undertaken or will undertake any investigations, searches or other actions to verify the information concerning the Transferred Receivables or to establish the creditworthiness of any Obligor or any other party to the Transaction Documents. Each such person will rely solely on the accuracy of the representations and warranties given by the Seller to the Issuer in the Master Receivables Transfer Agreement in respect of, among other things, the Transferred Receivables, the Obligors and the Finance Agreements. Security over the Issuer's rights under the Transferred Receivables will be granted by the Issuer in favour of the Security Trustee under the Deed of Charge.

The Seller is under no obligation to, and will not, provide the Transaction Parties with financial or other information specific to individual Obligors and certain Finance Agreements to which the Transferred Receivables relate. Any such person will only be supplied with general information in relation to the aggregate of the Obligors and the Finance Agreements, none of which such person has taken steps to verify. Further, none of the Transaction Parties will have any right to inspect the internal records of the Seller.

The Issuer is exposed to the credit risk of the Seller and the Servicer. Should the Seller's and the Servicer's credit quality deteriorate and/or should the Seller or the Servicer fail to take appropriate remedial action under the terms of the Master Receivables Transfer Agreement or the Servicing Agreement (as applicable), this may have an adverse effect on the value of the Transferred Receivables and on the ability of the Issuer to make payments under the Notes.

#### **4.4 The Note Trustee and Security Trustee are not obliged to act in certain circumstances/limited enforcement rights**

Following an Issuer Event of Default and the service of a Note Acceleration Notice in accordance with Condition 10 (*Events of Default*), the Security will become immediately enforceable (except where the Note Acceleration Notice has been served as a result of an Insolvency Event occurring solely due to the Issuer obtaining, or taking steps to obtain, a moratorium under the UK Insolvency Act 2000). The Note Trustee may, at its discretion, direct the Security Trustee to take action to enforce the Security. The Note Trustee shall not be obliged to enforce (or direct the Security Trustee to enforce) the Security unless directed by the holders of at least 25% in Note Principal Amount Outstanding of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes (subject to the Note Trustee and the Security Trustee being indemnified and/or secured and/or prefunded to its satisfaction).

The Note Trustee may at any time, at its discretion and will do so subject in each case to the Note Trustee having been indemnified and/or secured and/or prefunded to its satisfaction if it has been directed in writing to do so by the (i) holders of at least 25% in Note Principal Amount Outstanding of

the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes at the relevant date and without notice and in such manner as it deems appropriate:

- (i) take such proceedings and/or other steps as it may deem appropriate against or with respect to the Issuer or any other person to enforce its obligations under the Trust Deed, the Transaction Documents and the Conditions (as applicable) and/or take any other proceedings (including lodging an appeal in any proceedings) with respect to or concerning the Issuer;
- (ii) exercise any of its rights under, or in connection with the Trust Deed or any other Transaction Document; and/or
- (iii) give any directions to the Security Trustee under or in connection with any Transaction Document.

To the extent that the Note Trustee acts in accordance with such directions of the Most Senior Class of Notes, as described above, it will have no obligation to take the interests of any other party into account or to follow any direction given by any other party.

In addition, Condition 11 (*Enforcement and non-petition*) limit the ability of the Noteholders to take individual action against the Issuer and no Secured Creditor will be entitled, until the expiry of one year and one day after the Legal Final Maturity Date, to petition or take any other step for the winding-up of the Issuer.

In performing its duties as Note Trustee, the Note Trustee will have regard to the interests of the Noteholders as a class and will not take into account the consequences of the exercise or performance by it of its powers, trusts, authorities or discretions under the Trust Deed or any other Transaction Documents for individual Noteholders.

The Note Trustee will have regard to the interests of the Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise). Where, however, in the opinion of the Note Trustee, there is a conflict between the interests of the Noteholders of one Class of Notes and the Noteholders of any other Class(es) of Notes, the Note Trustee will (except as expressly provided otherwise in the Trust Deed) be required to have regard only to the holders of the Most Senior Class of Notes outstanding and will not have regard to any lower ranking Class of Notes, nor to the interests of the other Secured Creditors other than to apply the proceeds of any enforcement in accordance with the Post-Enforcement Period Priority of Payments.

#### **4.5 Ratings of the Notes**

The ratings assigned to the Class A Notes by the Rating Agencies take into consideration the structural and legal aspects associated with the Class A Notes, the terms of the Transaction Documents and the underlying Transferred Receivables, the credit quality of the Portfolio, the extent to which the Obligor's payments under the Transferred Receivables are sufficient to make the payments required under the Class A Notes as well as other relevant features of the structure, including, *inter alia*, the credit quality of the Account Bank and the Servicer. Each Rating Agency's rating reflects only the view of that Rating Agency. Further events, including events affecting the Account Bank and the Servicer, could have an adverse effect on the rating of the Notes.

The ratings assigned to the Notes by Fitch and S&P address, among other matters:

- (a) the likelihood of full and timely payments of interest due to the holders of the Class A Notes; and
- (b) the likelihood of ultimate payment of principal to the holders of the Class A Notes in relation to the Class A Notes on or prior to the Legal Final Maturity Date.

At any time, any Rating Agency may revise its relevant rating methodology with the result that, amongst other things, any rating assigned to the Class A Notes may be affected. In order for the Transaction

Documents to comply with new rating methodologies, amendments may need to be made to the Transaction Documents and the consent of the Noteholders may, in certain circumstances only, be required to implement such amendments. Noteholders should note that, if the amendments required to comply with such new rating methodologies are not implemented, this may ultimately have an adverse impact on the ratings assigned by the relevant Rating Agency to the Class A Notes.

Rating organisations other than the Rating Agencies may seek to rate the Class A Notes and, if such "shadow ratings" or "unsolicited ratings" are lower than the comparable ratings assigned to the Class A Notes by the Rating Agencies, such shadow or unsolicited ratings could have an adverse effect on the value of the Class A Notes. Future events, including events affecting the Account Bank, the Seller and the Servicer (if different) could also have an adverse effect on the rating of the Class A Notes.

A rating in respect of certain securities is not a recommendation to buy, sell or hold such securities and may be subject to revision or withdrawal at any time by the relevant rating organisation. The ratings assigned to the Class A Notes should be evaluated independently from similar ratings on other types of securities. There is no assurance that the ratings of the Class A Notes will continue for any period of time or that they will not be lowered, reviewed, suspended or withdrawn by the Rating Agencies. In addition, the continued rating of the Class A Notes will be, *inter alia*, dependent on the Issuer fulfilling its notification requirements to the relevant Rating Agencies. In the event that the ratings initially assigned to the Class A Notes by the Rating Agencies are subsequently withdrawn or lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement to the Notes. A qualification, downgrade or withdrawal of any of the ratings of the Class A Notes may impact on the value of the Notes.

Investors regulated in the UK are restricted under the UK CRA Regulation from using credit ratings for regulatory purposes in the UK, unless such ratings are issued by a credit rating agency established in the UK and registered under the UK CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances. The UK CRA Regulation may require, among other things, issuers or related third parties intending to solicit a credit rating of a structured finance instrument to appoint at least two credit rating agencies to provide credit ratings independently of each other. As such, UK regulated investors are required, for UK regulatory purposes, to use ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

Additionally, the UK CRA Regulation requires certain additional disclosure to be made in respect of structured finance transactions. The credit ratings included or referred to in this Base Prospectus have been issued by Fitch and S&P, each of which is established in the UK and is registered under the UK CRA Regulation.

European regulated investors are subject to similar restrictions under the EU CRA Regulation. Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third-country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances).

The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

The rating Fitch will assign to the Notes will be endorsed by Fitch Ratings Ireland Ltd, which is established in the EU and registered under the EU CRA Regulation.

The rating S&P will assign to the Notes will be endorsed by S&P Global Ratings Europe Limited, which is established in the EU and registered under the EU CRA Regulation.

Each of Fitch Ratings Ireland Ltd and S&P Global Ratings Europe Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the EU CRA Regulation. Such website and its contents do not form part of this Base Prospectus.

If the status of the rating agency rating the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

#### **4.6 Meetings of Noteholders, modification and waivers**

The Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. A meeting of Noteholders may be held electronically rather than at a physical location in accordance with the procedures set out in Schedule 3 to the Trust Deed.

The Notes and the Trust Deed also provide that the Note Trustee may agree, without the consent of the Noteholders, to certain modifications of the Notes and the Transaction Documents, or the waiver or authorisation of certain breaches or proposed breaches of, the Notes or any of the Transaction Documents.

Pursuant to and in accordance with the detailed provisions of Condition 12(b) (*Amendments and waiver*), the Note Trustee shall be obliged, and shall direct the Security Trustee, without any consent of the Noteholders, to concur with the Issuer in making any modification (other than a Basic Terms Modification) to the Conditions and/or any Transaction Document or enter into any new, supplemental or additional documents for the purposes of (subject to being indemnified and/or secured and/or prefunded to its satisfaction):

- (a) complying with, or implementing or reflecting, any change in criteria of the Rating Agencies;
- (b) complying with any changes in the requirements of (i) Article 6 of the UK Securitisation Regulation or Article 6 of the EU Securitisation Regulation, or Section 15G of the Exchange Act, as added by section 941 of the Dodd-Frank Act, after the Initial Issue Date, including as a result of the adoption of additional regulatory technical standards in relation to the UK Securitisation Regulation or the EU Securitisation Regulation (including the applicable reporting requirements thereunder), (ii) Regulation (EU) 2017/2401 (which amends Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms) and/or the UK CRR, (iii) any other risk retention legislation or regulations or official guidance in relation thereto or (iv) and/or enabling the Issuer or the Seller to comply with an obligation in respect of the direct application of the requirements of the UK Securitisation Regulation and/or the indirect application of the EU Securitisation Regulation together with any relevant laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements, in each case as amended, varied or substituted from time to time after the Initial Issue Date (including the appointment of a third party to assist with the Issuer's reporting obligations in relation thereto);
- (c) enabling the Class A Notes to be or remain listed on Euronext Dublin;
- (d) enabling the Issuer or any other Transaction Party to comply with FATCA (or any voluntary

agreement entered into with a Tax Authority in relation thereto);

- (e) opening additional accounts with an additional account bank or moving the Issuer Accounts to be held with an alternative account bank with the Required Ratings;
- (f) for so long as the Class A Notes are intended to be held in a manner which will allow for Bank of England eligibility, maintaining such eligibility; or
- (g) complying with any changes in the requirements of the UK CRA Regulation or the EU CRA Regulation.

provided that, except for paragraphs (b), (d) and (e), (1) the Issuer shall provide written notice of the proposed modification to the Noteholders and (2) Noteholders holding or representing at least 10% of the Note Principal Amount Outstanding of the Most Senior Class of Notes outstanding have not contacted the Issuer or the Note Trustee notifying the Issuer or the Note Trustee that such Noteholders do not consent to the proposed modification.

Each of the Issuer, the Note Trustee and the Security Trustee will rely without further investigation and without liability on any certification provided to it in connection with the transaction amendments and will not be required to monitor or investigate whether the Servicer or any other Transaction Party is acting in a commercially responsible manner or to consider the interests of the Noteholders or any other Secured Creditor, or be liable to any person by acting in accordance with any certification it receives from the Servicer or any other Transaction Party, irrespective of whether any such modification is or may be materially prejudicial to the interests of the Noteholders or any other Secured Creditor.

There can be no assurance that the effect of such modification to the Transaction Documents will not ultimately adversely affect the interests of the holders of one or all Class of Notes.

## **5. COUNTERPARTY RISKS**

### **5.1 Conflicts of Interest**

Certain parties to the transaction may perform multiple roles, including RCI Financial Services Ltd, who will act as Seller and Servicer.

The terms of the Transaction Documents do not prevent any of the parties to the Transaction Documents from rendering services similar to those provided for in the Transaction Documents to other persons, firms or companies or from carrying on any business similar to or in competition with the business of any of the parties to the Transaction Documents.

Accordingly, conflicts of interest may exist or may arise as a result of parties to this transaction:

- (a) having previously engaged or in the future engaging in transactions with other parties to the transaction;
- (b) having multiple roles in this transaction; and/or
- (c) carrying out other transactions for third parties,

and such parties may act in a manner that is not consistent with the interests of the Noteholders.

In the event that any of the above parties were to fail to perform their obligations (including any failure to deliver reports that it is required to prepare) under the respective agreements to which they are a party (including any failure arising from circumstances beyond their control such as epidemics or pandemics), Noteholders may be adversely affected.

### **5.2 Reliance on third parties**

The Issuer is party to contracts with a number of other third parties who have agreed to perform services in relation to the Transferred Receivables, the Notes. Accordingly, the ability of the Issuer to meet its obligations under the Notes depends to a large extent upon the ability of the parties to the Transaction Documents to perform their contractual obligations.

No assurance can be given as to the credit worthiness of the third parties referred to above or that their credit worthiness will not decline in the future. If any of the foregoing parties: (i) were to fail to perform their obligations under the respective agreement(s) to which they are a party; (ii) were to resign from their appointment; (iii) were to have its appointment under the agreement(s) to which they are a party terminated in accordance with the terms of the Transaction Documents (in each case without being replaced by a suitable replacement party that is able to perform such services, has at least the minimum required ratings and holds the required licences); or (iv) in the event of the insolvency of the Account Bank (or the Servicer Collection Account Bank), the collections on the Portfolio or the payments to the Noteholders may be disrupted or otherwise adversely affected, which, in turn, may negatively impact the value of, and ultimate return on, the Notes. Prospective investors should also be aware that third parties on which the Issuer relies may be adversely impacted by the general economic climate. In particular, general economic factors may affect the administration, collection and enforcement of the Transferred Receivables by the Servicer in accordance with the Servicing Agreement.

The Transaction Documents do not contain any restrictions on the ability of any third party providing services to the Issuer to change its business plan and/or strategy and/or access to other business lines or markets after the Initial Issue Date. Any changes to the business plan and/or strategy of a third party service provider could expose that third party to additional risks (including regulatory, operational and systems risk) which could have an adverse effect on the ability of the third party to provide services to the Issuer and consequently, could have an adverse effect on the Issuer's ability to perform its obligations under the Notes.

### **5.3 Risks relating to the Servicer**



The Servicer will be appointed by the Issuer to service the Transferred Receivables and enforce any rights in respect of the Transferred Receivables and the Finance Agreements. Consequently, the timely payment of amounts due in respect of the Notes and the net cash flows from the Transferred Receivables may be affected by decisions made, actions taken and the collection procedures adopted by, the Servicer. To address this risk, the terms of the Servicing Agreement provide that the Servicer shall perform its obligations under the Transaction Documents in good faith and with reasonable skill and care (i) in a manner consistent with policies, practices and procedures (the "**Minimum Customary Procedures**") generally followed by reputable and prudent finance providers in the United Kingdom in respect of receivables similar in nature and character to the Receivables ("**comparable receivables**") from time to time; and (ii) in a manner consistent with the Underwriting and Collection Procedures in force at such time if these are more rigorous than the Minimum Customary Procedures using that degree of skill and attention that the Servicer exercises with respect to comparable receivables that it owns beneficially and not discriminating its servicing and administration of Transferred Receivables relative to its servicing and administration of receivables beneficially owned by it. See "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement*" and "*THE SELLER AND THE SERVICER*".

The Servicer will carry out the administration, collection and enforcement of the Transferred Receivables in accordance with the Servicer's Underwriting and Collection Procedures. Accordingly, the Noteholders are relying on the business judgment and practices of the Servicer as to the liquidation of the Transferred Receivables against the Obligors. See "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement*" and "*THE SELLER AND THE SERVICER*".

In addition, the Servicer has undertaken in the Servicing Agreement that it will not modify the Underwriting and Collection Procedures in substance in a way that may lead to a deterioration of the performance of the Transferred Receivables or have a Material Adverse Effect and if it makes any amendments to the Underwriting and Collection Procedures and to the extent such changes are material, the Servicer shall as soon as practicable after such change notify the Issuer, the Security Trustee and the Rating Agencies. Any changes, additions and/or alternatives made to the Underwriting and Collection Procedures may only be made in accordance with the Servicer Standard of Care.

Upon the occurrence of any Servicer Termination Event, the Issuer or, as the case may be, the Security Trustee will have the right to remove RCI Financial Services Ltd as Servicer in accordance with the Servicing Agreement. After the occurrence of a Servicer Termination Event, the Back-Up Servicer Facilitator will use best efforts to identify, on behalf of the Issuer, and assist the Issuer in the appointing of a suitable successor servicer in accordance with the Servicing Agreement (in this regard see further "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement*").

The appointment of RCI Financial Services Ltd as Servicer under the Servicing Agreement may be terminated as a result of, among other circumstances, a default by it in performing its obligations under the Servicing Agreement and its insolvency. The appointment of RCI Financial Services Ltd as Servicer may not be terminated until a replacement servicer has assumed responsibility for the administration of the Transferred Receivables as contemplated by the Servicing Agreement.

If the Servicer was to be terminated for any reason, there is no assurance that this would not have an adverse effect on the Issuer's ability to make payments under the Notes.

## 6. LEGAL RISKS

### 6.1 Security and insolvency considerations in respect of the Issuer

The Issuer will enter into the Deed of Charge pursuant to which it will grant the Security in respect of certain of its obligations, including its obligations under the Notes (as to which, see "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Deed of Charge"). If certain insolvency proceedings are commenced in respect of the Issuer, the ability to realise the Security may be delayed and/or the value of the Security impaired.

The Insolvency Act 1986 allows for the appointment of an administrative receiver in relation to certain transactions in the capital markets. Although there is as yet no case law on how these provisions will be interpreted, it should be applicable to the floating charge created by the Issuer and granted by way of security to the Security Trustee. However, this is partly a question of fact. The Secretary of State may, in any event and 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. Were it not to be possible to appoint an administrative receiver in respect of the Issuer, the Issuer would be subject to administration if it became insolvent, which may lead to the ability to realise the Security being delayed and/or the value of the Security being impaired. In particular, it should be noted that significant changes to the UK insolvency regime have been enacted under the Corporate Insolvency and Governance Act 2020 which received Royal Assent on 25 June 2020 and came into effect on 26 June 2020. The changes include, among other things: (i) the introduction of a new moratorium regime that certain eligible companies can obtain which will prevent creditors taking certain action against the company for a specified period; (ii) a ban on operation of or exercise of "ipso facto clauses" preventing (subject to exemptions) termination, variation or exercise of other rights under a contract due to a counterparty entering into certain insolvency or restructuring procedures; and (iii) a new compromise or arrangement under Part 26A of the Companies Act 2006 (the "**Restructuring Plan**") that provides for ways of imposing a restructuring on creditors and/or shareholders without their consent (so-called cross-class cram-down procedure), subject to certain conditions being met and with a court adjudicating on the fairness of the restructuring proposal as a whole in determining whether or not to exercise its discretionary power to sanction the Restructuring Plan. While the Issuer is expected to be exempt from the application of the new moratorium regime and the ban on ipso facto clauses, there is no guidance on how the new legislation will be interpreted and the Secretary of State may by regulations modify the exceptions. For the purposes of the Restructuring Plan, it should also be noted that there are currently no exemptions, but the Secretary of State may by regulations provide for exclusion of certain companies providing financial services and the UK government has expressly provided for changes to the Restructuring Plan to be effected through secondary legislation, particularly in relation to the cross-class cram-down procedure. It is therefore possible that aspects of the legislation may change. While the transaction structure is designed to minimise the likelihood of the Issuer becoming insolvent, and/or subject to pre-insolvency restructuring proceedings, no assurance can be given that any modification of the exceptions from the application of the new insolvency reforms referred to above will not be detrimental to the interests of the Noteholders and there can be no assurance that the Issuer will not become insolvent and/or the subject of insolvency or pre-insolvency restructuring proceedings and/or that the Noteholders would not be adversely affected by the application of insolvency laws (including English insolvency laws or the laws affecting the creditors' rights generally).

In addition, it should be noted that, to the extent that the assets of the Issuer are subject only to a floating charge (including any fixed charge recharacterised by the courts as a floating charge), in certain circumstances under the provisions of sections 174A, 176ZA and 176A of the Insolvency Act 1986, certain floating charge realisations which would otherwise be available to satisfy the claims of secured creditors under the Deed of Charge may be used to satisfy any expenses of the insolvency proceeding, claims of unsecured creditors or creditors who otherwise take priority over floating charge recoveries. While certain of the covenants given by the Issuer in the Transaction Documents are intended to ensure it has no significant creditors other than the secured creditors under the Deed of Charge, it will be a matter of fact as to whether the Issuer has any other such creditors at any time. There can be no assurance that the Noteholders will not be adversely affected by any such reduction in floating charge realisations upon the enforcement of the Security.

## **6.2 Fixed charges may take effect under English law as floating charges**

Pursuant to the terms of the Deed of Charge, the Issuer has purported to grant fixed charges over, among other things, its interests in the Transferred Receivables and their Ancillary Rights, its rights and benefits in the Issuer Accounts from time to time.

English law relating to the characterisation of fixed charges is unsettled. The fixed charges purported to be granted by the Issuer (other than by way of assignment in security) may take effect under English law as floating charges only if, for example, it is determined that the Security Trustee has not been provided sufficient control over the Charged Property (as defined in the Deed of Charge) (although it should be noted that there is no equivalent concept of recharacterisation of fixed security as floating security under Scots law). If the charges take effect as floating charges instead of fixed charges, then, as a matter of law, certain claims would have priority over the claims of the Security Trustee in respect of the floating charge assets.

The interest of the Secured Creditors in property and assets over which there is a floating charge will rank behind the expenses of any administrator or liquidator and the claims of certain preferential creditors on enforcement of the Security. Section 251 of the Enterprise Act 2002 abolishes Crown Preference in relation to all insolvencies (and thus reduces the categories of preferential debts that are to be paid in priority to debts due to the holder of a floating charge) but Section 176A of the Insolvency Act 1986 requires a "prescribed part" (up to a maximum amount of £600,000, or £800,000 in relation to floating charges which come into existence on or after 6 April 2020) of the floating charge realisations available for distribution to be set aside to satisfy the claims of unsecured creditors'. In addition, HMRC has preferential status as a secondary preferential creditor in respect of certain taxes (e.g. VAT, PAYE, employee national insurance contributions, student loan deductions and construction industry scheme deductions). This means that the expenses of any administration, the claims of preferential creditors and the beneficiaries of the prescribed part will be paid out of the proceeds of enforcement of the floating charge ahead of amounts due to Noteholders. The prescribed part will not be relevant to property subject to a valid fixed security interest or to a situation in which there are no unsecured creditors.

## **6.3 Liquidation expenses**

Prior to the House of Lords' decision in the case of *Re Leyland Daf* in 2004, the general position was that, in a liquidation of a company, the liquidation expenses ranked ahead of unsecured debts and floating chargees' claims. *Re Leyland Daf* reversed this position so that liquidation expenses could no longer be recouped out of assets subject to a floating charge. However, section 176ZA of the Insolvency Act 1986, which came into force on 6 April 2008, effectively reversed by statute the House of Lords' decision in *Re Leyland Daf*. As a result, it is now the case that the costs and expenses of a liquidation (including certain tax charges) will be payable out of floating charge assets in priority to the claims of the floating charge-holder. In respect of certain litigation expenses of the liquidator only, this is subject to the approval of the amount of such expenses by the floating charge-holder (or, in certain circumstances, the court) pursuant to rules 6.44 to 6.48 and 7.111 to 7.116 of the Insolvency (England & Wales) Rules 2016. In general, the reversal of *Re Leyland Daf* applies in respect of all liquidations commenced on or after 6 April 2008.

Therefore, floating charge realisations upon the enforcement of the floating charge security to be granted by the Issuer would be reduced by the amount of all, or a significant proportion of, any liquidation expenses, which could adversely impact the ability to pay such realisations to Noteholders.

## 7. REGULATORY AND MACRO-ECONOMIC RISKS RELATING TO THE NOTES

### 7.1 General Market Volatility

Concerns relating to credit risk (including that of sovereigns and of those entities which have exposure to sovereigns) persist, in particular with respect to current economic, monetary and political conditions in the Eurozone. If such conditions further deteriorate (including as may be demonstrated by any relevant credit rating agency action, any default or restructuring of indebtedness by one or more states or institutions and/or any exit(s) by any member state(s) from the European Union and/or any changes to, including any break up of, the Eurozone), then these matters may cause further severe stress in the financial system generally and/or may adversely affect the UK automobile market, the Issuer, one or more of the other parties to the Transaction Documents (including the Seller, the Servicer and/or the Account Bank) and/or any Obligor in respect of the Finance Agreements.

On 31 December 2020 at 11pm ("**IP Completion Time**") the transition period agreed under the 'Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community' (the "**Withdrawal Agreement**") ended. From IP Completion Time the UK ceased to be part of the European Economic Area and left the EU customs union and single market. The UK and EU/European Atomic Energy Community signed the 'Trade and Cooperation Agreement' on 30 December 2020 (the "**Trade and Cooperation Agreement**") in order to govern the future relationship between the UK and the EU following IP Completion Time. The Trade and Cooperation Agreement covers trade in goods and services, establishes a framework for co-operation as to citizen's security and a governance mechanism. The Trade and Cooperation Agreement is applicable in the UK from 1 January 2021 and provisionally applicable in the EU from 1 January 2021 until ratification by the European Parliament.

The Withdrawal Agreement (the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020 (as so amended, the "**EUWA**") together with secondary legislation enacted under powers provided in the EUWA ensures that the UK has a functioning statute book from IP Completion Time. The UK's financial services regulators, the Bank of England, PRA and FCA have been granted temporary transitional powers to delay or modify firms' regulatory obligations where they have changed as a result of a statutory instrument made under Section 8 of the EUWA. These modifications are temporary and there can be no assurance that such arrangements will continue to be available in the future.

There are a number of areas of uncertainty in connection with the future of the UK and its relationship with the European Union and it is not currently possible to determine the impact that the UK's departure from the European Union and/or any related matters may have on general economic conditions in the UK, including the performance of the UK automobile market. It is also not possible to determine the precise impact that these matters will have on the business of the Issuer (including the performance of the Transferred Receivables), the Transaction Parties and/or any Obligor in respect of the underlying Finance Agreement, or on the regulatory position of any such entity or of the transactions contemplated by the Transaction Documents under EU regulation or more generally.

Prospective investors should also note that the regulatory treatment, including the availability of any preferential regulatory treatment, of the Notes may be affected (as to which see "*RISK FACTORS - REGULATORY AND MACRO-ECONOMIC RISKS RELATING TO THE NOTES – Securitisation Regulations – Risk Retention and Due Diligence Requirements*").

No assurance can be given that any of the matters outlined above would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or liquidity of the Notes in the secondary market.

### 7.2 The Covid-19 Pandemic may affect liquidity of the Notes

In December 2019, a novel strain of coronavirus ("**Covid-19**") was detected in Wuhan, China and, on 11 March 2020, was declared a global pandemic by the World Health Organisation. Governments worldwide have implemented measures to contain the spread of the virus including domestic and

international travel bans, quarantines and restrictions on public gathering and commercial activities. The effect of the Covid-19 pandemic (the "Covid-19 Pandemic") on the Issuer and/or any other Transaction Party is wide ranging and its impact is difficult to determine. In particular, the global economic slowdown resulting from the Covid-19 Pandemic has created disruptions and significant uncertainty in global financial markets and caused a significant reduction in liquidity in the secondary market for asset-backed securities. The lack of liquidity has resulted in a decrease in demand for asset-backed securities in the secondary market and caused the de-valuation of various assets in secondary markets. The effect of the Covid-19 Pandemic may adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or liquidity of the Notes in the secondary market.

### **7.3 Absence of secondary market liquidity and market value of the Notes**

Although application will be made to Euronext Dublin for the Class A Notes to be listed on the official list and to be admitted to trading on the regulated market of Euronext Dublin, as at the Initial Issue Date, there will be no secondary market for the Class A Notes. There can be no assurance that a liquid secondary market for the Class A Notes will develop or if it develops, that it provides sufficient liquidity, or that it will continue for the whole life of the Notes.

Further, limited liquidity in the secondary market for asset-backed securities has had a severe adverse effect on the market value of asset-backed securities and may continue to have a severe adverse effect on the market value of asset-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. Consequently, any purchaser of the Class A Notes must be prepared to hold such Class A Notes for an indefinite period of time or until final redemption or maturity of such Class A Notes. The market values of the Class A Notes are likely to fluctuate. Any such fluctuation may be significant and could result in significant losses to investors in the Notes. In addition, the forced sale into the market of asset-backed securities held by structured investment vehicles, hedge funds, issuers of collateralised debt obligations and other similar entities that are currently experiencing funding difficulties could adversely affect an investor's ability to sell, and/or the price an investor receives for the Class A Notes in the secondary market.

Consequently, any sale of the Class A Notes by the relevant Noteholders in any secondary market transaction may be at a discount to the original purchase price of such Class A Notes. Accordingly, investors should be prepared to remain invested in the Class A Notes until the Legal Final Maturity Date.

### **7.4 Regulatory Treatment of the Notes**

In Europe, the U.S., and elsewhere, there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in multiple measures for increased regulation which are at various stages of implementation and which may have an adverse impact on the regulatory position of certain investors in securitisation exposures and/or on the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities.

Investors in the Notes are responsible for analysing their own regulatory position and should consult their own advisers in this respect. None of the Issuer, the Seller, the Arranger nor any other party to the Transaction Documents makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory treatment of their investment on the Series of Notes issued on the Initial Issue Date, or at any time in the future. Any changes to the regulation or regulatory treatment of the Notes for 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.

### **7.5 Changes of law**

The underlying Finance Agreements, the structure of the Transaction Documents and the issue of the Notes, as well as the ratings which are to be assigned to the Notes, are based on English law and Scots law and United Kingdom tax, regulatory and administrative practice in effect as at the date of this Base Prospectus as they affect the parties to the Transaction and the Portfolio, and having due regard to the expected tax treatment of the Issuer under such law and practice. No assurance can be given as to the

impact of any possible change to English law and Scots law and United Kingdom tax, regulatory or administrative practice after the date of this Base Prospectus.

## **7.6 Basel Capital Accord and regulatory capital requirements**

The regulatory capital framework published by the Basel Committee on Banking Supervision, or the "**Basel Committee**", in 2006, or the "**Basel II framework**" has not been fully implemented in all participating countries. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the notes for investors who are or may become subject to capital adequacy requirements that follow the framework.

For more details about the Basel Capital Accord and the regulatory capital requirements you should read "*Some Important Considerations — Basel Capital Accord and regulatory capital requirements*".

The matters described in "*Some Important Considerations — Basel Capital Accord and regulatory capital requirements*" as well as the UK Securitisation Regulation (as described below) and any other changes to the regulation or regulatory treatment of the Notes for 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.

Investors should take their own advice and/or seek advice from their regulator on compliance with, and the application of, the provisions of such laws and regulations.

## **7.7 UK Securitisation Regulation and EU Securitisation Regulation**

The EU Securitisation Regulation commenced application in general (subject to certain grandfathering) from 1 January 2019 and, from 9 April 2021, the EU Securitisation Regulation applies as amended by Regulation (EU) 2021/557. However, some legislative measures necessary for the full implementation of the new regime have not yet been finalised and compliance with certain requirements is subject to the application of transitional provisions. In addition, further amendments are expected to be introduced to the EU Securitisation Regulation regime as a result of its wider review on which the European Commission is required to report (with legislative proposals) by 1 January 2022.

The EU Securitisation Regulation establishes certain common rules for all securitisations that fall within its scope (including a recast of pre-1 January 2019 risk retention and investor due diligence regimes).

The EU Securitisation Regulation has direct effect in member states of the EU and is to be implemented in due course in other countries in the EEA.

The UK Securitisation Regulation (which largely mirrors, with some amendments, the EU Securitisation Regulation) commenced application in the UK following the end of the transition period in the Brexit process at the start of 2021, subject to certain temporary transitional relief being available in certain areas.

The UK Securitisation Regulation and/or the EU Securitisation Regulation requirements will apply to the Notes. As such, certain UK-regulated institutional investors or European-regulated institutional investors or which include credit institutions, investment firms, authorised alternative investment fund managers, insurance and reinsurance undertakings, certain undertakings for the collective investment of transferable securities ("**UCITs**") and certain regulated pension funds (institutions for occupational retirement provision), must comply under Article 5 of the UK Securitisation Regulation or Article 5 of the EU Securitisation Regulation (as applicable) with certain due diligence requirements prior to holding a securitisation position and on an ongoing basis while holding the position. Among other things, prior to holding a securitisation position, such institutional investors are required to verify under their respective UK or EU regime certain matters with respect to compliance of the relevant transaction parties with credit granting standards, risk retention and transparency requirements. If the relevant UK- or European-regulated institutional investor elects to acquire or holds the Notes having failed to comply with one or more of these requirements, this may result in the imposition of a penal capital charge on the Notes for institutional investors subject to regulatory capital requirements or a requirement to take a

corrective action, in the case of certain type of regulated fund investors. Aspects of the requirements of the UK Securitisation Regulation and the EU Securitisation Regulation and what is or will be required to demonstrate compliance to national regulators remain unclear and it should be noted that under the UK Securitisation Regulation regime, certain temporary transitional relief may be available until 31 March 2022 for the purposes of compliance with the UK institutional investor due diligence requirements. Prospective investors should therefore make themselves aware of the requirements applicable to them and are required to independently assess and determine the sufficiency of the information described in this Base Prospectus generally for the purposes of complying with such due diligence requirements under the UK Securitisation Regulation or the EU Securitisation Regulation and any corresponding national measures which may be relevant, as applicable.

For more details about the requirements under the UK Securitisation Regulation and the EU Securitisation Regulation, you should read "*Some Important Considerations — Securitisation Regulations – Risk Retention and Due Diligence Requirements*".

### **7.8 Simple, transparent and standardised securitisations**

The UK Securitisation Regulation makes provision for a securitisation transaction to be designated a simple, transparent and standardised transaction (a "**UK STS Securitisation**"). In order to obtain this designation, a transaction is required to comply with the requirements set out in Articles 20, 21 and 22 of the UK Securitisation Regulation (the "**UK STS Criteria**") and one of the originator or sponsor in relation to such transaction is required to file a UK STS Notification to the FCA confirming the compliance of the relevant transaction with the UK STS Criteria. No UK STS Notification will be filed in relation to the Notes issued under the Programme as at the Initial Issue Date and there is no intention that such a notification will be filed at any point during the life of the Transaction.

The EU Securitisation Regulation makes provision for a securitisation transaction to be designated a simple, transparent and standardised transaction (an "**EU STS Securitisation**"). In order to obtain this designation, a transaction is required to comply with the requirements set out in Articles 20, 21 and 22 of the EU Securitisation Regulation (the "**EU STS Criteria**") and one of the originator or sponsor in relation to such transaction is required to file a EU STS Notification to ESMA confirming the compliance of the relevant transaction with the EU STS Criteria. No EU STS Notification will be filed in relation to the Notes as at the Initial Issue Date and there is no intention that such a notification will be filed at any point during the life of the Notes.

Investors should consider the consequences from a regulatory perspective of the Notes not being considered a UK STS Securitisation or an EU STS Securitisation, including (but not limited to) that the lack of any such designation may negatively affect the regulatory position of the Notes and, in addition, have a negative effect on the price and liquidity of the Notes in the secondary market.

### **7.9 FCA review of the motor finance sector**

The FCA has been looking at the motor finance market to develop its understanding of the relevant products and how they are sold, and to assess whether the products cause harm to consumers and if the market is functioning as well as it could. The FCA published its final findings in March 2019. In particular, the FCA found that commission models allowing broker discretion on interest rates have the potential for significant customer harm in terms of higher interest charges. The FCA refers in particular to Increasing Difference in Charges (DiC) and Reducing Difference in Charges commission models, which 'can provide strong incentives' for brokers to arrange finance at higher interest rates. With DiC models, brokers are paid a fee which is linked to the interest rate payable by the customer. The contract between the lender and broker sets a minimum (for Increasing DiC) or maximum (for Decreasing DiC) interest rate and the fee is a proportion of the difference in interest charges between the actual interest rate and the minimum/maximum interest rate. On 15 October 2019, the FCA published a consultation paper (CP 19/28) proposing a ban on motor finance discretionary commission models where the amount of the commission is linked to the interest rate the customer pays and which the dealer or broker has the power to set. This includes Increasing DiC and Reducing DiC models, as well as scaled commission models. Such a prohibition aims to address consumer harm by removing the financial incentive for

brokers or dealers to increase a customer's interest rate. The FCA has also prepared draft amendments to its rules and guidance on commission disclosure to customers. The FCA confirmed its final rule changes and new rules introducing a ban on discretionary commission models, which took effect on 28 January 2021. The FCA has also introduced new disclosure rules and relating to commission paid by customers which also take effect from this date. In addition, the FCA published a "Dear CEO" letter on 20 January 2020 entitled "Portfolio Strategy: Motor Finance Providers" setting out its supervisory strategy for the period to August 2021.

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, the Seller's particular sector in that market or specifically in relation to the Seller, whether arising from the FCA review into the motor finance industry or otherwise. These new rules will need to be implemented by firms which is likely to mean additional compliance measures will need to be introduced. Additionally, this may have a Material Adverse Effect on the Seller, the Issuer and/or the Servicer and their respective businesses and operations and may in turn adversely affect the Issuer's ability to make payments in full when due on the Notes.

#### **7.10 Risks relating to other current and future regulatory developments**

On 17 November 2020, the Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020 (the "Breathing Space Regulations") were made which will implement a new breathing space scheme from 4 May 2021. The scheme will allow individuals in England and Wales struggling with problem debt an extra 60 days to get their finances under control, while they receive debt advice via professional debt advice providers in order to enter an appropriate debt solution. The scheme also provides for an alternative means to access the protections of a moratorium where individuals are receiving mental health crisis treatment, which will enable the protections to be in place for the duration of their crisis treatment. No interest and fees on debts can be charged and almost all enforcement action will be paused during the moratorium period. However individuals would not be protected from enforcement action on any debts arising from failure to pay ongoing household liabilities, such as rent or mortgage payments. The breathing space will include almost all personal debts and therefore the Seller will be required to implement the requirements of the scheme for customers that meet the eligibility criteria for entry into the scheme, therefore this could result in adverse consequences for Noteholders' investment in the Notes including reduced or delayed payments on the Notes or a reduction in the credit quality or credit rating of the Notes.

On 24 December 2020, the Government published guidance to provide support to creditors and debt advisors in understanding the Breathing Space Regulations. On 26 February 2021 the FCA published a policy statement (PS 21/2) outlining changes to the FCA Handbook as a result of the Breathing Space Regulations. The changes amend certain parts of CONC to clarify how the rules will apply where the Breathing Space Regulations also apply.

The Consumer Credit (Enforcement, Default and Termination Notices) (Coronavirus) (Amendment) Regulations 2020 came into force on 2 December 2020 implementing changes to the default notices required by sections 87 and 88 of the CCA. These changes restrict the amount of information that must be made prominent and require the use of bold or underlined text rather than capital letters in the default notices. Owners will also be able to replace legal terms with more widely understood words. The Seller is required to make the changes within six months to ensure the default notice remains valid under sections 87 and 88 of the CCA.

In the context of consumer credit regulation, there are a significant number of complex regulations applied by the FCA. It should be noted that the regulations themselves, related laws and regulatory practice are all liable to change during the life of the Notes. The nature of such changes and the ultimate impact is difficult to predict and therefore there is no certainty of the impact which any regulatory change could have with regards to the performance of the assets which may ultimately have an adverse impact on the Issuer's ability to make timely payments on the Notes.



Regulation of consumer credit agreements and related matters is subject to regular legislative intervention. No assurance can be given that changes will not be made to the regulatory regime in respect of the consumer credit market in the United Kingdom generally, RCI Financial Services Ltd's particular sector in that market or specifically in relation to RCI Financial Services Ltd. In particular, no assurance can be given as to the impact of any possible change to the law (including any change in regulation which may occur without a change in primary legislation) or administrative practice after the date of this Base Prospectus nor can any assurance be given that any such change will not result in adverse consequences such as a loss on, or early redemption of, the Notes

### 7.11 U.S. Risk Retention

Section 941 of the Dodd-Frank Act amended the Exchange Act to generally require the "sponsor" of a "securitization transaction" to retain at least 5% of the "credit risk" of "securitized assets", as such terms are defined for purposes of that statute, and generally prohibit a sponsor from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the sponsor is required to retain. The U.S. Risk Retention Rules came into effect on 24 December 2016 with respect to all classes of asset-backed securitizations. The U.S. Risk Retention Rules provide that the securitizer of an asset-backed securitization is its sponsor. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligations that they generally impose.

The Class B Notes will not be offered or sold in the United States or to U.S. Persons.

The Class A Notes may not at any time be purchased by any person except for persons that are not Risk Retention U.S. Persons (as defined below).

The Seller, as the sponsor under the U.S. Risk Retention Rules, does not intend to retain at least 5 per cent. of the credit risk of the securitized assets for the purposes of compliance with the U.S. Risk Retention Rules, but rather will rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. To qualify for the exception, non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10% of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Base Prospectus as "**Risk Retention U.S. Persons**"); (3) neither the sponsor nor the issuer of the securitisation transaction is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25% of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is similar to, but not identical to, the definition of "U.S. person" in Regulation S and that persons who are not "U.S. persons" under Regulation S may be "U.S. persons" under the U.S. Risk Retention Rules.

The definition of U.S. person in the U.S. Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and (h), which are different to comparable provisions from Regulation S. Under the U.S. Risk Retention Rules, and subject to limited exceptions, "U.S. person" means any of the following:

- (a) Any natural person resident in the United States;
- (b) Any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any State or of the United States;<sup>2</sup>
- (c) Any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);

---

<sup>2</sup> The comparable provision from Regulation S is "(ii) any Partnership or corporation organised or incorporated under the laws of the United States".

- (d) Any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);
- (e) Any agency or branch of a foreign entity located in the United States;
- (f) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);
- (g) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- (h) Any partnership, corporation, limited liability company, or other organisation or entity if:
  - (i) Organised or incorporated under the laws of any foreign jurisdiction; and
  - (ii) Formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act.<sup>3</sup>

There can be no assurance that the exemption provided for in Section \_\_.20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. Failure of the offering of the Class A Notes to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action which may adversely affect the Class A Notes. Furthermore, the impact of the U.S. Risk Retention Rules on the securitisation market generally is uncertain, and a failure by a transaction to comply with the risk retention requirements of the U.S. Risk Retention Rules could negatively affect the market value and secondary market liquidity of the Class A Notes.

None of the Seller or the Arranger or any of their respective affiliates makes any representation to any prospective investor or purchaser of the Class A Notes as to whether the transactions described in this Base Prospectus comply as a matter of fact with the U.S. Risk Retention Rules on the Initial Issue Date or at any time in the future. Prospective investors should consult their own advisors as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

---

<sup>3</sup> The comparable provision from Regulation S "(vii)(B) formed by a U S person principally for the purpose of investing in securities not registered under the Securities Act) unless it is organised or incorporated, and owned, by accredited investors (as defined in 17 CFR 230.501(a)) who are not natural persons estates or trusts".

## 8. RISKS RELATING TO TAXATION

### 8.1 Taxation

The Issuer will not provide for gross-up of payments in the event that the payments on the Notes become subject to withholding taxes.

In the event that the Seller, Servicer and/or Cash Manager is required by law (or under FATCA) to withhold or deduct an amount from or on account of taxes from a payment made by it to the Issuer, investors in the Notes may suffer a loss as the Issuer may not then have sufficient funds to make payments of interest and/or principal on the Notes.

For more details about the tax status of the Notes and FATCA, you should read "*Taxation*".

### 8.2 UK Taxation Position of the Issuer

The Issuer has been advised that it should fall within the permanent regime for the taxation of securitisation companies (as introduced by the TSC Regulations). If the TSC Regulations apply to a company, then, broadly, it will be subject to corporation tax on the cash profit retained by it for each accounting period in accordance with the transaction documents.

Investors should note, however, that the TSC Regulations are in short-form and are supplemented by, and advisors rely significantly upon, guidance from HMRC when advising on the scope and operation of the TSC Regulations including whether any particular company falls within the regime.

Prospective Noteholders should note that if the Issuer does not fall to be taxed under the regime provided for by the TSC Regulations then its profits or losses for tax purposes might be different from the cash profit retained by it in accordance with the Transaction Documents.

Any unforeseen taxable profits in the Issuer could have an adverse effect on its ability to make payments to the Noteholders.

## 9. RISKS RELATING TO THE CHARACTERISTICS OF THE NOTES

### 9.1 Bank of England Eligibility

Certain investors in the Class A Notes may wish to consider the use of the Class A Notes as eligible securities for the purposes of the Bank of England's Discount Window Facility ("**DWF**"), the Indexed Long-Term Repo ("**ILTR**") scheme or other liquidity schemes offered by the Bank of England from time to time. Recognition of the Class A Notes as eligible securities for the purposes of the DWF or the ILTR will depend upon satisfaction of the eligibility criteria as specified by the Bank of England. If the Class A Notes do not satisfy the criteria specified by the Bank of England, there is a risk that the Class A Notes will not be eligible DWF or ILTR collateral. None of the Issuer or the Arranger or any other party gives any representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue, or at any or all times during their life, satisfy all or any requirements for the DWF or the ILTR and be recognised as eligible DWF or ILTR collateral. Any potential investor in the Class A Notes should make its own determinations and seek its own advice with respect to whether or not the Class A Notes constitute eligible DWF or ILTR collateral.

### 9.2 Eurosystem Eligibility

The Notes are not currently Eurosystem eligible. However, the Class A Notes are intended to be held in a manner which would allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as Common Safekeeper, but does not necessarily mean that the Class A Notes in the future will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem ("**Eurosystem eligible collateral**") at any or all times during their life. Such recognition will depend upon such satisfaction of all of the other Eurosystem eligibility criteria. It is expected that the Class B will not satisfy the Eurosystem eligibility criteria. The Issuer gives no representation, warranty, confirmation or

guarantee to any investor in the Class A Notes that the Class A Notes will at any time in the future satisfy all or any of the requirements for Eurosystem eligibility and be recognised as Eurosystem eligible collateral. Any potential investor in the Class A Notes should make their own conclusions and seek their own advice with respect to whether or not the Class A Notes constitute Eurosystem eligible collateral for the purposes of any of the central bank liquidity schemes, including whether and how such eligibility may be impacted by the UK withdrawal from the EU and the UK no longer being part of the EEA.

**9.3 The minimum denomination of the Notes may adversely affect payments on the Notes if issued in definitive form**

The Notes have a denomination consisting of a minimum authorised denomination of £100,000 and integral multiples of £1,000 in excess thereof. Accordingly, it is possible that the Notes may be traded in amounts in excess of the minimum authorised denomination that are not integral multiples of such denomination. In such a case, if Definitive Notes are required to be issued, a Noteholder who holds a principal amount less than the minimum authorised denomination at the relevant time may not receive a Definitive Note in respect of such holding and may need to purchase a principal amount of Notes such that their holding amounts to the minimum authorised denomination (or another relevant denomination amount).

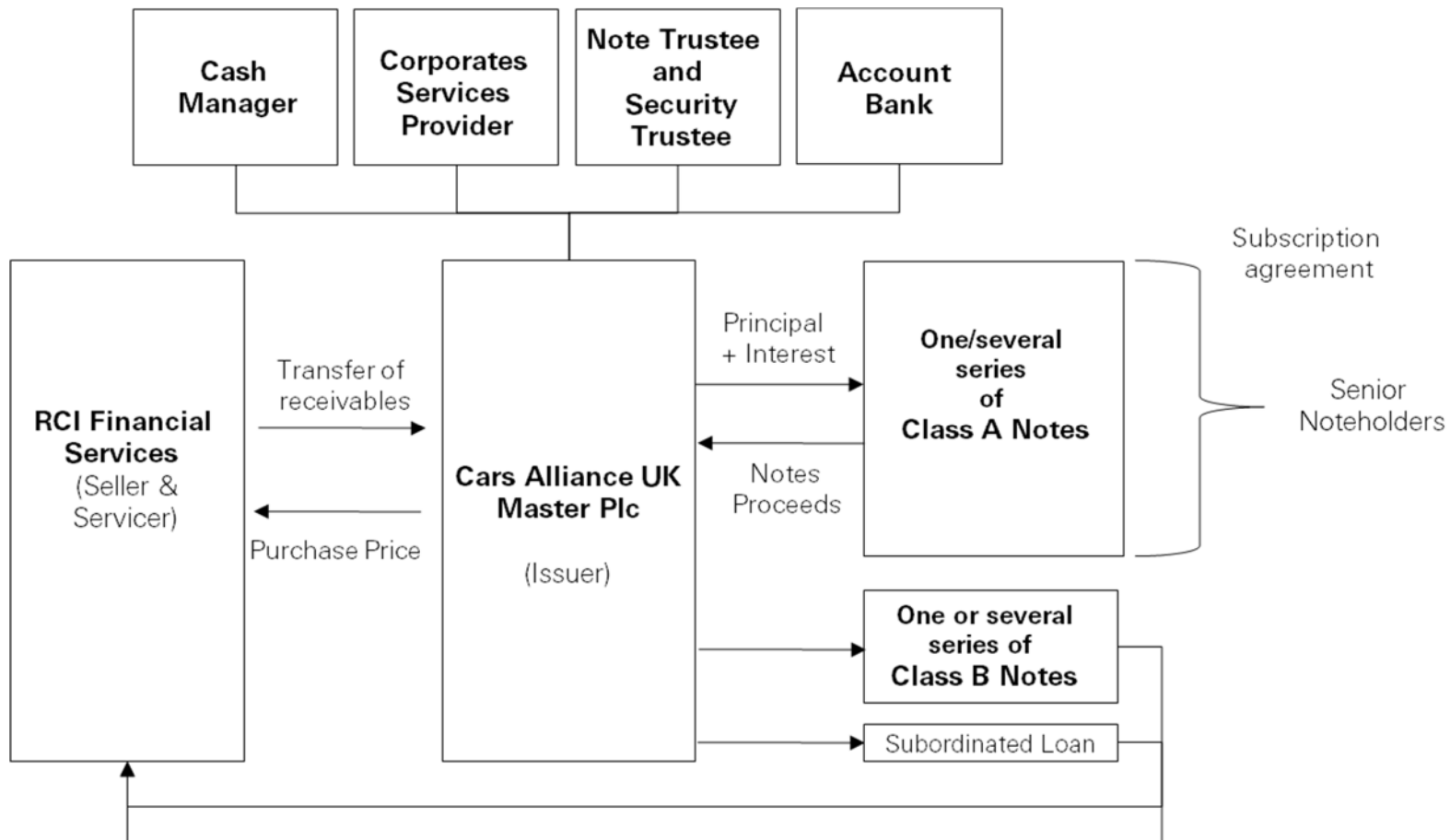
If Definitive Notes are issued, Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum authorised denomination may be illiquid and difficult to trade.

**The Issuer believes that the risks described above are the principal risks for the Noteholders but the inability of the Issuer to pay interest and principal on the Notes may occur for other reasons.**

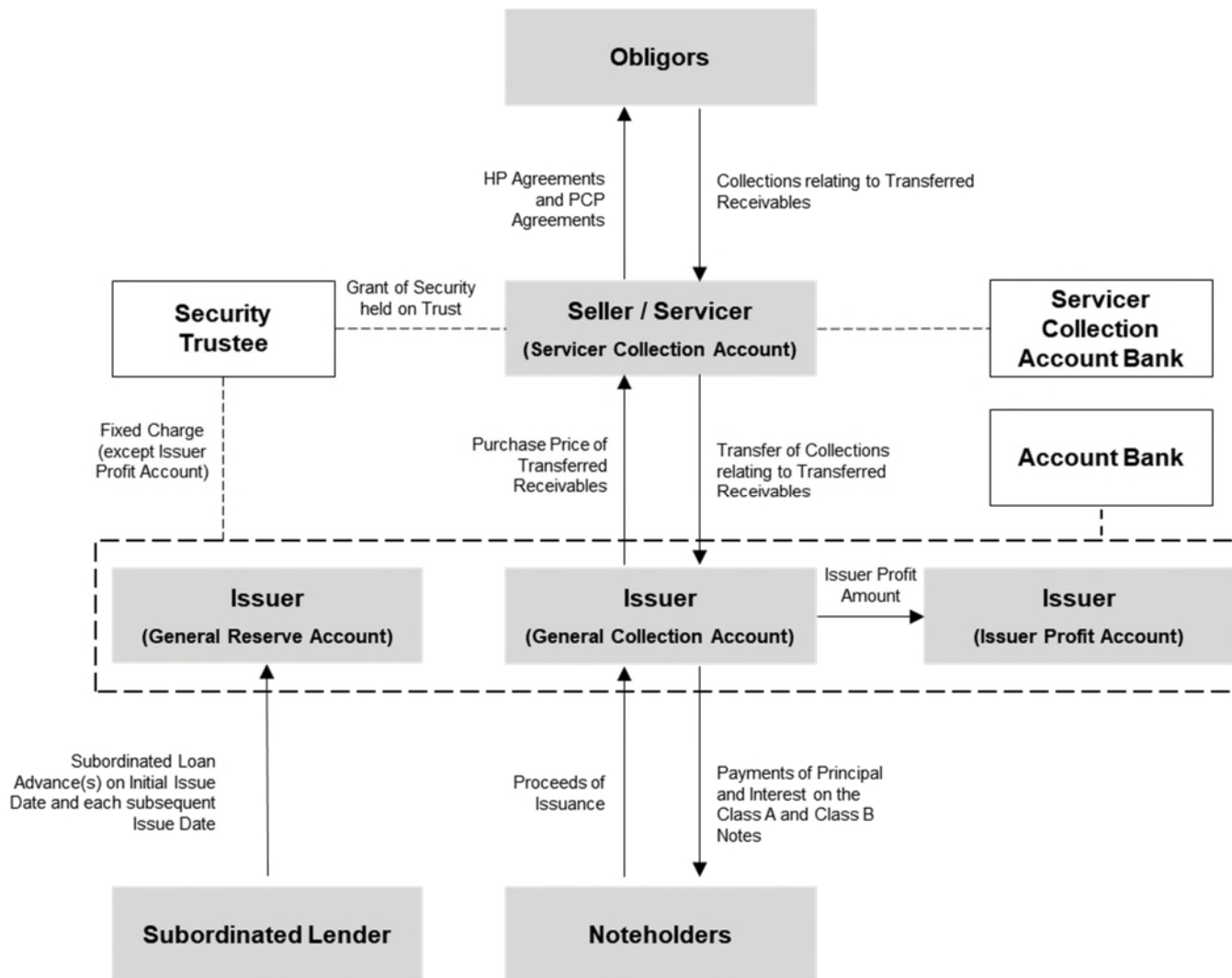
### DIAGRAMMATIC OVERVIEW

*These structure diagrams of Transaction are qualified in its entirety by reference to the more detailed information appearing elsewhere in this Base Prospectus.*

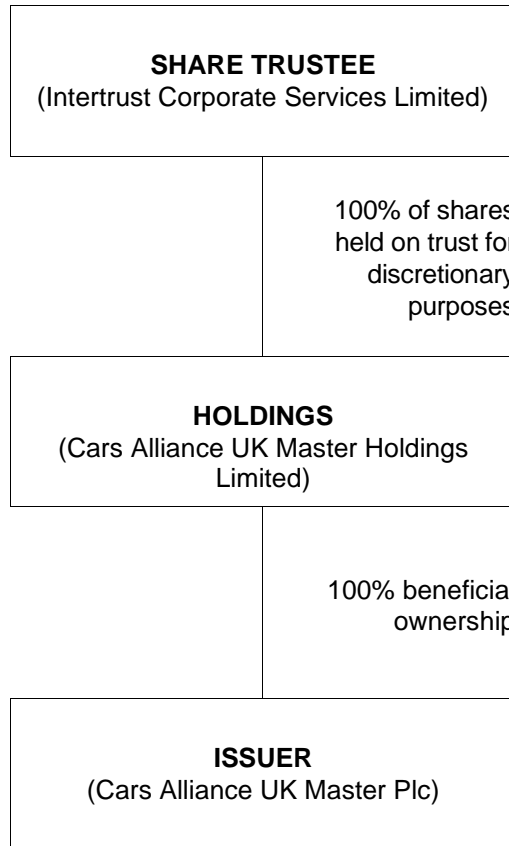
#### DIAGRAMMATIC OVERVIEW OF THE PROGRAMME



### DIAGRAMMATIC OVERVIEW OF ON-GOING CASH FLOWS



**DIAGRAMMATIC OVERVIEW OF THE OWNERSHIP OF THE ISSUER**



The above diagram illustrates the ownership structure of the Issuer and Holdings, as follows:

- The Issuer is a wholly owned subsidiary of Holdings in respect of its beneficial ownership.
- The entire issued share capital of Holdings is held on trust by the Share Trustee under the terms of a trust the benefit of which is expressed to be for discretionary purposes.
- None of the Issuer, Holdings or the Share Trustee is either owned, controlled, managed, directed or instructed, whether directly or indirectly, by the Seller or any member of the group of companies containing the Seller.

**TRANSACTION PARTIES ON THE INITIAL ISSUE DATE**

<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed/Further Information</b>
<b>Issuer</b>	Cars Alliance UK Master Plc	1 Bartholomew Lane, London, EC2N 2AX, United Kingdom	N/A. See the section entitled " <i>THE ISSUER</i> " for further information.
<b>Holdings</b>	Cars Alliance UK Master Holdings Limited	1 Bartholomew Lane, London, EC2N 2AX, United Kingdom	N/A. See the section entitled " <i>HOLDINGS</i> " for further information.
<b>Seller</b>	RCI Financial Services Ltd	Rivers Office Park Denham Way Rickmansworth WD3 9YS United Kingdom	N/A. See the section entitled " <i>THE SELLER AND THE SERVICER</i> " for further information.
<b>Servicer</b>	RCI Financial Services Ltd	Rivers Office Park Denham Way Rickmansworth WD3 9YS United Kingdom	Servicing Agreement by the Issuer. See the section entitled " <i>OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Servicing Agreement</i> " for further information.
<b>Back-Up Facilitator</b>	<b>Servicer</b> Intertrust Management Limited	1 Bartholomew Lane, London, EC2N 2AX, United Kingdom	Servicing Agreement by the Issuer. See the section entitled " <i>OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Servicing Agreement</i> " for further information.
<b>Subordinated Lender</b>	RCI Financial Services Ltd	Rivers Office Park Denham Way Rickmansworth WD3 9YS United Kingdom	Servicing Agreement by the Issuer. See the section entitled " <i>OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Subordinated Loan Agreement</i> " for further information.
<b>Cash Manager</b>	Eurotitrisation S.A.	12 rue James Watt, 93200 Saint-Denis, France	Cash Management Agreement by the Issuer. See the section entitled " <i>OVERVIEW OF THE PRINCIPAL</i> "



<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed/Further Information</b>
			<i>TRANSACTION DOCUMENTS – Cash Management Agreement</i> for further information.
<b>Account Bank</b>	Lloyds Bank plc	25 Gresham Street, London, EC2V 7HN United Kingdom	Bank Account Agreement by the Issuer. See the section entitled " <i>OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Bank Account Agreement</i> " for further information.
<b>Note Trustee</b>	HSBC Corporate Trustee Company (UK) Limited	8 Canada Square, London, E14 5HQ United Kingdom	Trust Deed. See the section entitled " <i>OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Trust Deed</i> " for further information.
<b>Security Trustee</b>	HSBC Corporate Trustee Company (UK) Limited	8 Canada Square, London, E14 5HQ United Kingdom	Deed of Charge. See the section entitled " <i>OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Deed of Charge</i> " for further information.
<b>Paying Agent</b>	HSBC Bank plc	8 Canada Square, London, E14 5HQ United Kingdom	Agency Agreement by the Issuer. See the section entitled " <i>OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Agency Agreement</i> " for further information.
<b>Registrar</b>	HSBC Bank plc	8 Canada Square, London, E14 5HQ United Kingdom	Agency Agreement by the Issuer. See the section entitled " <i>OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Agency Agreement</i> " for further information.

<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed/Further Information</b>
<b>Corporate Services Provider</b>	Intertrust Management Limited	1 Bartholomew Lane, London, EC2N 2AX, United Kingdom	Corporate Services Agreement by the Issuer. See the section entitled "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Corporate Services Agreement" for further information.
<b>Servicer Account Bank</b>	<b>Collection</b> National Westminster Bank plc	250 Bishopsgate, London, EC2M 4AA	Servicer Collection Account Declaration of Trust (as supplemented). See the section entitled "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Servicer Collection Account Declaration of Trust" for further information.
<b>Arranger</b>	HSBC Bank plc	8 Canada Square, London E14 5HQ United Kingdom	Note Purchase Agreement. See the section entitled "SUBSCRIPTION AND SALE" for further information.
<b>Irish Listing Agent</b>	McCann FitzGerald Listing Services Limited	Riverside One Sir John Rogerson's Quay Dublin 2, Ireland	N/A
<b>Clearing Systems</b>	Clearstream, Luxembourg and Euroclear	Euroclear: 1, Boulevard du Roi Albert II 1201 Brussels Belgium Clearstream: 42 av. J.F. Kennedy 1855 Luxembourg	N/A
<b>Rating Agencies</b>	Fitch and S&P		N/A

## PORTFOLIO AND SERVICING

Please refer to the sections entitled "DESCRIPTION OF THE PORTFOLIO", "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Master Receivables Transfer Agreement" and "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Servicing Agreement" for further information. For reference to the definitions of capitalised terms appearing in this Base Prospectus, see "GLOSSARY OF TERMS".

**Sale of Portfolio** The Portfolio will consist of (i) the Receivables and their related Ancillary Rights and the related Vehicle Sale Proceeds Receivables which will be sold by the Seller to the Issuer on the Initial Issue Date and (ii) any additional Eligible Receivables and their related Ancillary Rights which may be sold by the Seller to the Issuer on any Transfer Date during the Revolving Period pursuant to the Master Receivables Transfer Agreement.

The Receivables will consist of Sterling-denominated monetary obligations of the Obligors arising from Finance Agreements, being HP Agreements and PCP Agreements entered into by the Seller and Obligors, pursuant to which the Seller has granted fixed term financing to Obligors for the purpose of financing the purchase of Vehicles, after the relevant Cut-Off Date.

The Vehicle Sale Proceeds Receivables will consist of, in relation to any Redelivered Vehicle and any Repossessed Vehicle, the right of the Seller to receive the Vehicle Sale Proceeds arising from the sale of such related Redelivered Vehicle or Repossessed Vehicle to a third party.

The Receivables are governed by English law, Scots Law or Northern Irish Law.

On the Initial Issue Date and any Transfer Date, as applicable, the Seller will transfer Receivables and the related Vehicle Sale Proceeds to the Issuer pursuant to the Master Receivables Transfer Agreement which (i) satisfy the Receivables Eligibility Criteria, (ii) arise from a Finance Agreement with an Obligor that meets the Obligor Eligibility Criteria and (iii) comply with the Representations and Warranties given by the Seller in respect of the Receivables and (where applicable) the related Vehicle Sale Proceeds Receivables at the relevant Cut-Off Date.

The sale of Receivables to the Issuer will be subject to certain conditions as at the Initial Issue Date or the relevant Transfer Date (as applicable). These conditions include that the representations and warranties of the Seller under the Master Receivables Transfer Agreement are true and correct as at the Initial Issue Date or the relevant Transfer Date, as applicable, including that all information given in respect of such Receivable (in particular the information contained in the Initial Issue Date Receivables Offer IT File or the Additional Receivables Offer IT File, as applicable) is true and correct as of the relevant Cut-Off Date.

**Features of Transferred Receivables** of The following is a summary of certain features of the Transferred Receivables comprised within the Portfolio as at the Initial Cut-Off Date. Investors should refer to, and carefully consider, the further details in respect of the Transferred Receivables set out in "PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA".

Portfolio as at the Initial Cut-Off Date	Hire Purchase	Personal Contract Purchase	All Contracts		
	Total	Total	New	Used	Total
<b>Aggregate Principal Outstanding Balance</b>	£101,325,722	£940,341,278	£772,113,455	£269,553,545	£1,041,667,000
<b>Number of Loans</b>	19,329	84,033	66,748	36,614	103,362
<b>Arithmetic Average Loan Balance</b>	£5,242	£11,190	£11,568	£7,362	£10,078
<b>Balloon Payments</b>	£0.00	£560,368,409	£438,269,798	£122,098,611	£560,368,409
<b>Weighted Average Original Term to Maturity (mths)</b>	51	46	47	47	47
<b>Weighted Average Remaining Term to Maturity (mths)</b>	33	28	28	29	28
<b>Weighted Average Seasoning (mths)</b>	18	18	19	17	18
<b>Weighted Average Discount Rate (%)</b>	8.0%	6.9%	6.2%	9.4%	7.01

### Purchase Price

The Purchase Price will be payable by the Issuer to the Seller in respect of the Receivables comprised in the Portfolio. The Purchase Price in relation to the Transferred Receivables purchased with effect as of the Initial Issue Date or any Transfer Date will be the Initial Purchase Price plus the Deferred Purchase Price in relation to such Transferred Receivables. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Master Receivables Transfer Agreement*" for more information.

The Issuer will be entitled to all Collections (other than any amounts relating to Excluded Proceeds) in respect of the relevant Transferred Receivables received by the Seller on or after the relevant Cut-Off Date up to the Initial Issue Date or relevant Transfer Date.

### Perfection Events

The sale and assignment of each Transferred Receivable in accordance with the terms of the Master Receivables Transfer Agreement will take effect in equity only under English law because the Obligor will not be notified of the assignment unless a Perfection Event occurs.

Transfer of the legal title to the relevant Transferred Receivables will be completed on the occurrence of a Perfection Event. 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 Transferred Receivables, the Issuer will hold only the equitable title to those Transferred Receivables and will therefore be subject to certain risks as set out in the section "*RISK FACTORS – Risks relating to the Notes and the structure – Equitable assignment*".

### Representations and Warranties

The Seller will make certain representations and warranties regarding the Receivables and the related Vehicle Sale Proceeds Receivables (as applicable) and the related Finance Agreements (the "**Receivables Representations**") pursuant to the Master Receivables Transfer Agreement including, among other things, that such Receivable has been selected in accordance with the Receivables Eligibility Criteria and such Receivable (and the related Vehicle Sale Proceeds Receivable) satisfies the Receivables Eligibility Criteria as of the relevant Cut-Off Date and is due from an Obligor which satisfies the Obligor Eligibility Criteria as of the relevant Cut-Off Date. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Master Receivables Transfer Agreement – Receivables Representations*" for more information.

<b>Eligible Receivables</b>		In order to constitute an Eligible Receivable, the Receivable and the related Vehicle Sale Proceeds Receivable must comply with the Receivables Representations given by the Seller pursuant to the Master Receivables Transfer Agreement. See the section entitled " <i>OVERVIEW OF THE TRANSACTION DOCUMENTS – Master Receivables Transfer Agreement– Receivables Representations</i> " for further information.
<b>RV Receivables Repurchase Commitment</b>		Pursuant to the Master Receivables Transfer Agreement, provided that an Insolvency Event has not occurred in respect of the Seller, the Seller will repurchase any Transferred Receivables which have become RV Receivables. If any Transferred Receivable becomes a RV Receivable (as notified to the Cash Manager and the Issuer in the relevant Servicing Report on the Information Date), the Seller shall repurchase such RV Receivable and as a result, the Issuer shall sell such Transferred Receivable (including the related Ancillary Rights and Vehicle Sale Proceeds Receivable) back to the Seller by no later than the second CM Reporting Date falling immediately after the end of the Collection Period during which such Transferred Receivables became an RV Receivable, and the Seller will purchase any such RV Receivable (including the related Ancillary Rights and Vehicle Sale Proceeds Receivable) (the Seller's commitment to repurchase being the " <b>RV Receivables Repurchase Commitment</b> "), at an amount equal to the aggregate RV Receivables Repurchase Price in respect of such RV Receivable (and the Seller shall transfer such amount to the General Collection Account on the CM Reporting Date).
<b>Repurchase Affected Receivables</b>	<b>of</b>	If any party to the Master Receivables Transfer Agreement (including the Seller in its capacity as Servicer under the Transaction Documents) becomes aware that any Receivables Representation was untrue or incorrect (by reference to the facts and circumstances then subsisting at the relevant date on which such Receivable Representation was given) in relation to any Transferred Receivables, the party discovering such breach will give prompt written notice thereof to the others in accordance with the Master Receivables Transfer Agreement. Unless such breach has been cured in all respects, on the next CM Reporting Date after the Collection Period in which such discovery or receipt of notice of breach occurred, the Seller will repurchase such Transferred Receivables (including the related Ancillary Rights and Vehicle Sale Proceeds Receivables) (the " <b>Affected Receivables</b> ") in accordance with the Master Receivables Transfer Agreement at an amount equal to the aggregate Repurchase Price in respect of such Affected Receivables.
<b>Option to transfer Transferred Receivables</b>	<b>re-</b>	<p>Pursuant to the Master Receivables Transfer Agreement, during the Revolving Period, the Seller will have the right, subject to the conditions specified below, to request the Issuer to re-transfer to the Seller Transferred Receivables on any Payment Date by notifying the Issuer and the Cash Manager at least 10 calendar days prior to the next following Calculation Date of a target amount of Transferred Receivables to be re-transferred by way of a Re-transfer Request.</p> <p>The Cash Manager shall randomly select Transferred Receivables to be re-transferred, provided that:</p> <ul style="list-style-type: none"><li>(A) the aggregate amount of the Re-transfer Price of the Transferred Receivables so selected shall not be greater than the target amount of Transferred Receivables to be re-transferred as notified by the Seller; and</li><li>(B) the difference between (i) the target amount of Transferred Receivables to be re-transferred as notified by the Seller and (ii) the</li></ul>

aggregate Re-transfer Price of the Transferred Receivables randomly selected by the Cash Manager shall not be greater than GBP 50,000.

The re-transfer of Transferred Receivables shall only occur if the following conditions are met:

- (a) the Portfolio Performance Criteria are satisfied;
- (b) the Portfolio Limits Criteria are satisfied;
- (c) such retransfer does not result in a downgrading of the Class A Notes;
- (d) such retransfer does not result in the occurrence of a Revolving Period Early Termination Event;
- (e) if the then current ratings of the Parent Company's long-term unsecured, unsubordinated and unguaranteed debt obligations are below "BBB-" by S&P or "Baa3" by Moody's, the Issuer and the Cash Manager will have received a solvency certificate regarding the Seller dated not earlier than 7 Business Days before the contemplated Re-transfer Date;
- (f) no Seller Event of Default has occurred and is outstanding; and
- (g) the Issuer has received on the relevant Re-transfer Date, the relevant Re-transfer Amount from the Seller.

**Re-transfer  
Option  
of  
Transferred  
Receivables  
in  
relation to Electric  
Vehicles**

Pursuant to the Master Receivables Transfer Agreement, during the Revolving Period or the Pre-Enforcement Amortisation Period, the Seller will have the right, subject to the conditions specified below, to request the Issuer to re-transfer to the Seller all Transferred Receivables in relation to Electric Vehicles on any Payment Date by notifying the Issuer and the Cash Manager by way of a Re-transfer Request to be provided at least 10 calendar days prior to the next following Calculation Date.

The Cash Manager shall select all the Transferred Receivables in relation to Electric Vehicles to be re-transferred, provided that the re-transfer of Transferred Receivables shall only occur if the following conditions are met:

- (a) the Portfolio Performance Criteria are satisfied;
- (b) the Portfolio Limits Criteria are satisfied;
- (c) such retransfer does not result in a downgrading of the Class A Notes;
- (d) such retransfer does not result in the occurrence of a Revolving Period Early Termination Event;
- (e) if the then current ratings of the Parent Company's long-term unsecured, unsubordinated and unguaranteed debt obligations are below "BBB-" by S&P or "Baa3" by Moody's, the Issuer and the Cash Manager will have received a solvency certificate regarding the Seller dated not earlier than 7 Business Days before the contemplated Re-transfer Date;
- (f) no Seller Event of Default has occurred and is outstanding; and
- (g) the Issuer has received on the relevant Re-transfer Date, the relevant Re-transfer Amount from the Seller.

**Optional transfer of Defaulted Receivables** Pursuant to the Master Receivables Transfer Agreement, the Seller shall have the right, but not the obligation, to request the Issuer by way of a Re-transfer Request to be provided at least 10 calendar days prior to the next following Calculation Date to transfer back to it one or more Transferred Receivables on any Payment Date, provided that such Receivables are Defaulted Receivables. The Issuer shall be free to accept or reject, in whole or in part and in its absolute discretion, the corresponding Re-transfer Request. If the Issuer, in its absolute discretion, agrees to accept, in whole or in part, a Re-transfer Request, the Issuer shall re-transfer the relevant Transferred Receivables to the Seller and the Seller shall pay the relevant Re-transfer Amount to the Issuer.

**Clean-Up Call** On any Payment Date following the Calculation Date on which the Aggregate Principal Outstanding Balance of the Transferred Receivables is equal to or less than 10% of the Aggregate Principal Outstanding Balance of the Transferred Receivables as at the Initial Cut-Off Date, the Seller will (provided that on the relevant Payment Date no Note Acceleration Notice has been served) have the option under the Master Receivables Transfer Agreement (the "**Clean-Up Call**") to repurchase all Transferred Receivables then outstanding against payment of the Final Repurchase Price, subject to the Clean-Up Call Conditions.

**Servicing of the Transferred Receivables** The Servicer will be appointed by the Issuer pursuant to the Servicing Agreement to manage and administer Collections, undertake enforcement proceedings and transfer Collections to the General Collection Account, in accordance with the Standard of Care. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Servicing Agreement*" for more information.

A Servicer Termination Event will occur if:

- (a) an Event of Default occurs with respect to the Servicer;
- (b) any payment obligation of the Servicer under any Transaction Document to which the Servicer is party is or becomes, for any reason, ineffective, or unenforceable, except if this is capable of remedy and is remedied by the Servicer within two Business Days; or
- (c) the appointment of the Servicer is terminated and no replacement servicer is appointed in accordance with the terms of the Servicing Agreement.

If any Servicer Termination Event occurs, the Issuer (prior to the delivery of a Note Acceleration Notice or notice that the Security Trustee has taken any action to enforce the Security) with the written consent of the Security Trustee, or (after the delivery of a Note Acceleration Notice) the Security Trustee itself, will by notice in writing to the Servicer terminate the Servicer's appointment as the Servicer under the Servicing Agreement with effect from the date (not earlier than the date of the notice) specified in the notice. Upon termination of the appointment of the Servicer under the Servicing Agreement, the Issuer will use its best endeavours to appoint a substitute servicer that has experience of servicing HP Agreements and PCP Agreements in the United Kingdom, is duly licensed and has obtained all the necessary Authorisations for such servicing activities. After the occurrence of a Servicer Termination Event, the Back-Up Servicer Facilitator will use best efforts to identify, on behalf of the Issuer, and assist the Issuer in the appointing of a suitable successor servicer in accordance with the Servicing Agreement.

**Delegation  
Servicer**     **by** The Servicer may delegate some of its servicing functions to a third party in accordance with the Servicing Agreement subject to certain conditions, provided that the Servicer remains responsible for the performance of any functions so delegated. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Servicing Agreement*" for more information.



**OVERVIEW OF THE CONDITIONS OF THE NOTES**

*Please refer to section entitled "CONDITIONS OF THE NOTES" for further detail in respect of the terms of the Notes.*

**FULL CAPITAL STRUCTURE OF THE NOTES**

	<b>Class A Notes</b>	<b>Class B Notes</b>
<b>Initial Issue Date / Further Issue Date</b>	As specified in the Final Terms	As specified in the Final Terms
<b>Currency</b>	GBP	GBP
<b>Initial Note Principal Amount</b>	As specified in the Final Terms	As specified in the Final Terms
<b>Rating Agencies</b>	Fitch and S&P	Unrated
<b>Anticipated ratings</b>	AAA <sub>sf</sub> by Fitch AAA(sf) by S&P	Unrated
<b>Credit Enhancement</b>	Credit enhancement for the Class A Notes is provided by the subordination of payments of principal on the Class B Notes  The amount credited on the General Reserve Account  Excess spread (if any)	The amount credited on the General Reserve Account (in Post-Enforcement Period Priority of Payments)  Excess spread (if any)
<b>Liquidity Support</b>	The amount credited on the General Reserve Account	The amount credited on the General Reserve Account (in Post-Enforcement Period Priority of Payments)
<b>Note Interest Rate</b>	As specified in the Final Terms	As specified in the Final Terms
<b>Maximum Note Interest Rate</b>	2%	Not applicable

	<b>Class A Notes</b>	<b>Class B Notes</b>
<b>Interest Accrual Method</b>	Actual/365	Actual/365
<b>Payment Dates</b>	Interest will be payable monthly in arrear (or such shorter period for the first Interest Period) on the Payment Date falling on the 20 <sup>th</sup> day of each month commencing on the first Payment Date, subject to the Modified Following Business Day Convention.	
<b>Business Day</b>	London	London
<b>Business Day Convention</b>	Modified following	Modified following
<b>First Payment Date</b>	As specified in the Final Terms	As specified in the Final Terms
<b>First Interest Period</b>	As specified in the Final Terms	
<b>Pre-Enforcement Amortisation Period Priority of Payments</b>	Sequential pass through redemption in accordance with the Pre-Enforcement Amortisation Period Priority of Payments.	
<b>Post-Enforcement Period Priority of Payments</b>	Sequential pass through redemption in accordance with the Post-Enforcement Period Priority of Payments.	
<b>Clean-Up Call</b>	On any Payment Date following the Calculation Date on which the Aggregate Principal Outstanding Balance is equal to or less than 10% of the Aggregate Principal Outstanding Balance as at the Initial Cut-Off Date (see <i>Condition 5(d) Clean-Up Call</i> ); Partial Early Amortisation (see <i>Condition 5(e) (Partial Early Amortisation)</i> )	
<b>Other Early Redemption in full Events</b>	Tax Event (see <i>Condition 5(b) (Optional redemption for taxation reasons)</i> ),	
<b>Legal Final Maturity Date</b>	The Payment Date falling in September 2032	The Payment Date falling in September 2032
<b>Form</b>	Registered	Registered

	<b>Class A Notes</b>	<b>Class B Notes</b>
<b>Application for Listing</b>	Euronext Dublin	Not Listed
<b>ISIN</b>	As specified in the Final Terms	N/A
<b>Common Code</b>	As specified in the Final Terms	N/A
<b>Clearance/Settlement</b>	Clearstream, Luxembourg and Euroclear The Class A Notes will be issued under the NSS	N/A
<b>Regulation</b>	Reg S	Reg S
<b>Minimum Denomination</b>	£100,000	£100,000
<b>Issue Price</b>	As specified in the Final Terms	As specified in the Final Terms
<b>Retained Amount</b>	N/A	100% purchased by RCI Financial Services Ltd
<b>Significant Initial Purchaser in respect of Series 2021-1</b>	100% purchased by RCI Bank UK	100% purchased by RCI Financial Services Ltd

**Issue Dates**

A Series of Class A Notes and a Series of Class B Notes, comprising Series 2021-1, will be issued on the Initial Issue Date. The Series 2021-1 Class B Notes are not offered under this Base Prospectus. Further Notes in respect of a Series may be issued on any Further Issue Date prior to the Revolving Period Termination Date. The Issuer will inform the existing Noteholders of its intention to issue Further Notes by sending a notice to the relevant Noteholders.

**Capital Structure for Initial Notes**

	<b>Series 2021-1 Class A Notes</b>	<b>Series 2021-1 Class B Notes</b>
Initial Issue Date	7 October 2021	7 October 2021
Initial Note Principal Amount	GBP 750,000,000.00	GBP 291,667,000.00
Note Interest Rate	1.5% per annum	2% per annum
First Payment Date	20 October 2021, subject to the applicable Priority of Payments	20 October 2021, subject to the applicable Priority of Payments
ISIN	XS2389414744	N/A
Common Code	238941474	N/A
Issue Price	100%	100%
Aggregate Principal Outstanding Balance of the Transferred Receivables on the Initial Issue Date	GBP 1,041,666,999.51	
Level of credit enhancement (excluding any support from the amount credited on the General Reserve Account and from excess spread)	28%	0%

**Capital Structure for Further Issuances**

The capital structure with regards to the issuance of Further Notes under this Base Prospectus shall be as follows:

<b>Ratios</b>	<b>Respective Limits</b>
Class A Notes Required Ratio	Equal to or below 72% (*)
Class B Notes Required Ratio	Equal to or above 28% (*)

(\*) taking into account the rounding effect.

The Subordinated Loan Advance will be deposited into the General Reserve Account to reflect the increase in the General Reserve Required Level following the Further Issue Date.

**Ranking**

The Notes of each Class will rank *pari passu* and rateably without any preference or priority among themselves as to payments of interest and principal at all times.

Payments of principal on the Class A Notes will at all times rank in priority to payments of principal on the Class B Notes, in accordance with the applicable Priority of Payments.

Payments of interest on the Class A Notes will at all times rank in priority to payments of interest on the Class B Notes, in accordance with the applicable Priority of Payments.

**Payments on the Notes**

Prior to the service of a Note Acceleration Notice, payments of principal and interest on the Notes will be made in accordance with the Revolving Period Priority of Payments and the Pre-Enforcement Amortisation Period Priority of Payments. Following the service of a Note Acceleration Notice, all payments will be made in accordance with the Post-Enforcement Period Priority of Payments.

**Security**

The Notes are secured and will share the Security with the other Secured Obligations. Some of the other Secured Obligations will rank senior to the Issuer's obligations under the Notes in respect of the allocation of proceeds as set out in the relevant Priority of Payments.

**Vehicle Floating Charge**

To mitigate the risk where an Obligor exercises its right of voluntary termination or such Vehicle is repossessed, the Seller will grant a floating charge (the "**Vehicle Floating Charge**") to be governed by English law (provided that any term particular to Scots law will be construed in accordance with Scots law) in favour of the Issuer in respect of the proceeds of sale of any Vehicle returned to the Seller or repossessed by the Seller and subsequently sold.

**Interest Provisions**

Please refer to "*Full Capital Structure of the Notes*" as set out above and Condition 4 (*Interest*) for the relevant interest provisions.

**Interest Deferral**

Interest due and payable on the Class A Notes will not be deferred. Interest due and payable on the Class B Notes may be deferred in accordance with Condition 6 (*Deferral of interest and subordination*) on any Payment Date (other than the final Payment Date or any earlier redemption of the Class B Notes in full). For the avoidance of

doubt, such deferral shall not result in the occurrence of an Issuer Event of Default.

**Gross-up**

None of the Issuer, the Note Trustee, the Security Trustee nor any Agent will be obliged to gross-up if there is any withholding or deduction in respect of the Notes on account of taxes.

**Redemption**

The Notes are subject to the following optional or mandatory redemption events (in whole or in part, as stated below):

- mandatory redemption in whole on the Legal Final Maturity Date, as fully set out in Condition 5(a) (*Final redemption*);
- mandatory early redemption in part on each Payment Date commencing on the first Payment Date following the Revolving Period Termination Date subject to availability of Available Funds in accordance with the applicable Priority of Payments, as fully set out in Condition 5(c) (*Mandatory early redemption in part*);
- optional redemption exercisable by the Issuer in whole for tax reasons as fully set out in Condition 5(b) (*Optional redemption for taxation reasons*);
- mandatory redemption in part in a total amount equal to the Partial Early Amortisation Amount following the occurrence of a Partial Early Amortisation Event during the Revolving Period as fully set out in Condition 5(e) (*Partial Early Amortisation*); and
- mandatory redemption in whole on any Payment Date if the Seller exercises its Clean-Up Call, as fully set out in Condition 5(d) (*Clean-Up Call*).

Any Note redeemed pursuant to the above redemption provisions will be redeemed at an amount equal to the Note Principal Amount Outstanding of the relevant Note together with accrued (and unpaid) interest on the Note Principal Amount Outstanding up to (but excluding) the date of redemption.

**Issuer Event of Default**

As fully set out in Condition 10 (*Events of Default*), the occurrence of any of the following events with the Issuer as the "**Relevant Person**":

- (a) the Relevant Person fails to make any payment payable by it under any Transaction Document when due in the currency and in the manner specified in the relevant Transaction Document except if such failure is due to technical reasons and such default is remedied by the Relevant Person within two Business Days, or, in the case of the Issuer, if the failure to pay is in respect of interest when due in the currency and in the manner specified herein where such failure to pay interest continues for five days or more;
- (b) if the Relevant Person is the Seller or the Servicer, any representation or warranty made by the Relevant Person pursuant to any Transaction Document or in any notice or

other document, certificate or statement delivered by it pursuant hereto or in connection herewith is or proves to have been incorrect or misleading in any material respect when made and it is not remedied within 20 Business Days;

- (c) if the Relevant Person is the Seller or the Servicer, the Relevant Person fails duly to perform or comply with any of its obligations under the Transaction Documents to which it is a party (other than those referred to in paragraphs (a) and (b) above) and such failure is not remedied within 20 Business Days;
- (d) an Insolvency Event occurs in respect of the Relevant Person;
- (e) if the Relevant Person is the Seller or the Servicer, at any time it is or becomes unlawful for the Relevant Person to perform or comply with any or all of its obligations under the Notes or the Transaction Documents or any of the obligations of the Relevant Person under the Notes or the Transaction Documents are not or cease to be legal, valid and binding; or
- (f) if the Relevant Person is the Seller or the Servicer, any Authorisation required by the Relevant Person to perform its obligations under the Transaction Documents is revoked or suspended.

**Enforcement**

Following the occurrence of an Issuer Event of Default and the service of a Note Acceleration Notice in accordance with Condition 10 (*Events of Default*), the Security will become immediately enforceable (except where the Note Acceleration Notice has been served as a result of an Insolvency Event occurring solely due to the Issuer obtaining, or taking steps to obtain, a moratorium under the UK Insolvency Act 2000). The Note Trustee may at its discretion direct the Security Trustee to take action to enforce the Security, and will direct the Security Trustee to take such action to enforce the Security as directed in writing by the holders of at least 25% in Note Principal Amount Outstanding of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes, subject in each case to the Note Trustee and the Security Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction.

**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 7(g) (*Limited recourse*).

**Non petition**

The Noteholders shall not be entitled to take any steps (otherwise than in accordance with the Trust Deed and the Conditions):

- to enforce the Security other than when expressly permitted to do so under Condition 11 (*Enforcement and non-petition*); or

- to take or join in any steps against the Issuer to obtain payment of any amount due from the Issuer to it; or
- until the date falling one year and one day after the Legal Final Maturity Date, to initiate or join in initiating any insolvency proceedings in relation to the Issuer; or
- to take any steps which would result in any of the Priorities of Payments not being observed.

**Governing Law**

English law.

**Jurisdiction**

The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes.



## RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS

Please refer to sections entitled "DESCRIPTION OF THE NOTES" and "CONDITIONS OF THE NOTES" for further detail in respect of the rights of Noteholders, conditions for exercising such rights and relationship with other Secured Creditors. For reference to the definitions of capitalised terms appearing in this Base Prospectus, see "GLOSSARY OF TERMS".

### **Prior to an Issuer Event of Default**

Prior to the occurrence of an Issuer Event of Default, the Issuer or the Note Trustee at any time may (at the cost of the Issuer), and upon a requisition in writing from Noteholders holding at least 10% of the Note Principal Amount Outstanding of the relevant Class of Notes the Issuer shall, convene a Noteholders' meeting for any purpose, including consideration of Extraordinary Resolutions and Ordinary Resolutions or any other matter affecting their interests. If the Issuer fails for a period of seven days to convene a meeting requisitioned by Noteholders, the same may be convened by the Note Trustee (subject to being indemnified and/or secured and/or prefunded to its satisfaction) or the requisitionists.

However, the Noteholders are not entitled to instruct or direct the Issuer to take any action, either directly or through the Note Trustee, without the consent of the Issuer and, if applicable, certain other Transaction Parties, unless the Issuer has an obligation to take such action under the relevant Transaction Documents.

### **Following an Issuer Event of Default**

Following the occurrence of an Issuer Event of Default, the Note Trustee at its absolute discretion may, and, if so directed in writing by the holders of at least 25% in Note Principal Amount Outstanding of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes (subject, in each case, to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction), will give a Note Acceleration Notice to the Issuer, the Security Trustee, the Account Bank, the Cash Manager and the Paying Agent declaring the Notes due and payable and each Note will accordingly become immediately due and payable, without further action or formality, at its Note Principal Amount Outstanding together with accrued interest.

See section entitled "CONDITIONS OF THE NOTES" for more information.

### **Noteholders Meeting provisions**

	<i>Initial meeting</i>	<i>Adjourned meeting</i>
Notice period:	At least 21 clear days (but not more than 90 clear days) for the initial meeting.	At least 10 clear days for the adjourned meeting (and no more than 42 clear days in the case of an initial adjournment of a meeting at which an Extraordinary Resolution is to be proposed).
Quorum:	At least 20% of the Note Principal Amount Outstanding of the relevant Class of Notes then outstanding for all Ordinary Resolutions; at least 50% of the Note Principal Amount Outstanding of the relevant Class of Notes for the initial meeting to	Any holding (other than an Extraordinary Resolution or a Basic Terms Modification, which requires at least 25% of the Note Principal Amount Outstanding of the relevant Class of Notes).

pass an Extraordinary Resolution (other than a Basic Terms Modification, which requires at least 66 $\frac{2}{3}$ % of the Note Principal Amount Outstanding of the relevant Class of Notes).

Required majority for an Ordinary Resolution and an Extraordinary Resolution: At least 50% of votes cast for matters requiring Ordinary Resolution and at least 75% of votes cast for matters requiring Extraordinary Resolution.

Required majority for passing a Written Resolution: Extraordinary Resolution: At least 75% of the Note Principal Amount Outstanding of the relevant Class of Notes then outstanding.  
Ordinary Resolution: At least 50% of the Note Principal Amount Outstanding of the relevant Class of Notes then outstanding.

A Written Resolution has the same effect as an Ordinary Resolution or an Extraordinary Resolution.

Electronic Consent: Consent may be given by way of electronic consents communicated through the electronic communications systems of the relevant Clearing System(s) to the Paying Agent or another specified Agent in accordance with the operating rules and procedures of the relevant Clearing System(s) by or on behalf of the Noteholders with the required majority for an Ordinary Resolution or an Extraordinary Resolution (as applicable).

Place: All meetings of Noteholders shall be held in the UK or by way of conference call, including by use of video conference platform, as applicable, in accordance with the terms of the Trust Deed.

**Matters requiring Ordinary Resolution**

Any matters to be sanctioned by the Noteholders that do not require an Extraordinary Resolution will require an Ordinary Resolution of the Noteholders.

**Matters requiring Extraordinary Resolution**

An Extraordinary Resolution is required:

- (a) to sanction or approve a Basic Terms Modification;
- (b) to sanction any compromise or arrangement proposed to be made between the Issuer, any other party to any Transaction Document, the Note Trustee, the Security Trustee, any Appointee, the Noteholders, or any of them;
- (c) to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Note Trustee, the Security Trustee, any Appointee, the Noteholders, the Issuer or any other party to any Transaction Document against any other or others of them or against any of their property whether such rights arise under the Trust Deed, any other Transaction Document or otherwise;

- (d) to assent to any modification of the provisions of the Trust Deed or any other Transaction Document which is proposed by the Issuer, the Note Trustee, the Security Trustee, any other party to any Transaction Document or any Noteholder;
- (e) to give any authority or sanction which under the provisions of the Trust Deed or any other Transaction Document is required to be given by Extraordinary Resolution;
- (f) to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders or and to confer upon such committee or committees any powers or discretions which the Noteholders or could themselves exercise by Extraordinary Resolution;
- (g) to approve of a person to be appointed a trustee and power to remove or, as the case may be, to direct the removal of, any trustee or trustees for the time being under the Trust Deed, and/or the Deed of Charge subject to and in accordance with the Trust Deed or, as the case may be, the Deed of Charge;
- (h) to discharge or exonerate the Note Trustee, the Security Trustee and/or any appointee from all Liability in respect of any act or omission for which the Note Trustee, the Security Trustee and/or such appointee may have become or may become responsible under the Trust Deed or any other Transaction Document;
- (i) to authorise the Note Trustee, the Security Trustee and/or any Appointee to concur in and execute and do all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution;
- (j) to sanction any scheme or proposal for the exchange or sale of the Notes or the conversion of the Notes into or the cancellation of the Notes in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash; and
- (k) to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Trust Deed.

**Right of modification  
without Noteholder  
consent**

Pursuant to and in accordance with the detailed provisions of Condition 12 (*Meetings of Noteholders, amendments, waiver, substitution and exchange*), the Note Trustee shall be obliged, without any consent or sanction of the Noteholders or the other Secured Creditors but subject to the receipt of written consent from each of the Secured Creditors party to the Transaction Document being modified, to concur with the Issuer in making any modification (other than a Basic Terms Modification) to the Conditions and/or any Transaction Document or enter into any new, supplemental or additional documents for the purposes of (subject to being indemnified and/or secured and/or prefunded to its satisfaction):

- (a) complying with, or implementing or reflecting, any change in criteria of the Rating Agencies;
- (b) complying with any changes in the requirements of (i) Article 6 of the UK Securitisation Regulation or Article 6 of the EU Securitisation Regulation, or Section 15G of the Exchange Act, as added by section 941 of the Dodd-Frank Act, after the Initial Issue Date, including as a result of the adoption of additional

regulatory technical standards in relation to the UK Securitisation Regulation or the EU Securitisation Regulation (including the applicable reporting requirements thereunder), (ii) Regulation (EU) 2017/2401 (which amends Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms) and/or the UK CRR, (iii) any other risk retention legislation or regulations or official guidance in relation thereto or complying with any changes in the requirements (including, but not limited to, transparency and/or investor due diligence) of and/or enabling the Issuer or the Seller to comply with an obligation in respect of the direct application of the requirements of the UK Securitisation Regulation and/or the indirect application of the EU Securitisation Regulation, together with any relevant laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements, in each case as amended, varied or substituted from time to time after the Initial Issue Date (including the appointment of a third party to assist with the Issuer's reporting obligations in relation thereto);

- (c) enabling the Notes to be or remain listed on Euronext Dublin;
- (d) enabling the Issuer or any other Transaction Party to comply with FATCA (or any voluntary agreement entered into with a Tax Authority in relation thereto);
- (e) opening additional accounts with an additional account bank or moving the Issuer Accounts to be held with an alternative account bank with the Required Ratings;
- (f) for so long as the Class A Notes are intended to be held in a manner which will allow for Bank of England eligibility, maintaining such eligibility; or
- (g) complying with any changes in the requirements of the UK CRA Regulation or the EU CRA Regulation.

Other than in the case of a modification referred to in paragraph (b), (d), (e) above, it is a condition of any such modification that (1) the Issuer shall provide written notice of the proposed modification to the Noteholders at least 40 calendar days' prior to the date on which it is proposed that the modification would take effect and (2) Noteholders holding or representing at least 10% of the Note Principal Amount Outstanding of the Most Senior Class of Notes outstanding have not contacted the Issuer or the Note Trustee within such notification period notifying the Issuer or the Note Trustee that such Noteholders do not consent to the proposed modification. If Noteholders representing at least 10% of the Note Principal Amount Outstanding of the Most Senior Class of Notes outstanding have contacted the Issuer or the Note Trustee within the period referred to above that they do not consent to the modification, then such modification will not be made unless passed by an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding in accordance with Condition 12(b)(iii)(3).

In addition, the Note Trustee may, without the consent of the Noteholders or the other Secured Creditors, concur with the Issuer or any other person in making any modification:

- (i) to the Conditions or any Transaction Document (excluding in relation to a Basic Terms Modification) which in the opinion of the Note Trustee will not be materially prejudicial to the interests of the Most Senior Class of Notes; or
- (ii) to the Conditions or any Transaction Document (including in relation to a Basic Terms Modification) if in the opinion of the Note Trustee such modification is of a formal, minor or technical nature or to correct a manifest error.

**Relationship between Classes of Noteholders**

Except in respect of certain matters set out in Condition 12 (*Meetings of Noteholders, amendments, waiver, substitution and exchange*) and the Trust Deed and excluding for the avoidance of doubt a Basic Terms Modification, an Ordinary Resolution or an Extraordinary Resolution of Noteholders of the Most Senior Class of Notes shall be binding on all other Classes. For further details see Condition 12 (*Meetings of Noteholders, amendments, waiver, substitution and exchange*).

Approval of a Basic Terms Modification requires an Extraordinary Resolution of each Class of Notes then outstanding.

In the exercise of its powers, trusts, authorities or discretions, if, in the opinion of the Note Trustee, there is a conflict between the interests of the Most Senior Class of Notes and more junior classes of Noteholders, the Note Trustee will only take into consideration the interests of the Most Senior Class of Notes.

For more details on the priority applicable to the payment of interest and principal of each Class of Notes, please refer to Condition 2 (*Status and Security*).

**Seller/Issuer as Noteholder**

For each of the following purposes:

- (i) the determination of how many of which Notes of a Class are for the time being outstanding for the purposes of any provisions of their Conditions and the Trust Deed requiring calculation of the proportion of Noteholders of such Class requesting or directing the Note Trustee to direct the Security Trustee to take action to enforce the security for such Class, or the provisions for meetings of the Noteholders of such Class set out in the Trust Deed;
- (ii) any discretion, power or authority which the Note Trustee is required or permitted, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders of such Class or any of them; and
- (iii) the determination by the Note Trustee whether, in its opinion, any event, circumstance, matter or thing is or would be materially prejudicial to the interests of the Noteholders or any Class of them,

those Notes of the relevant Class, if any, which are beneficially held by or for the account of the Issuer or the Seller will be deemed not to remain outstanding unless they are together the sole beneficial holders of that Class of Notes and there are no other Notes outstanding at such time which rank junior or *pari passu* to the Notes held by the Issuer or the Seller.

**Relationship between Noteholders and other Secured Creditors**

Payments of interest and principal to Noteholders are subject to the Priority of Payments as set out in Condition 2 (*Status and Security*).

In the exercise of its powers, trusts, authorities and discretions, the Note Trustee will only have regard to the Noteholders and not to the other Secured Creditors for so long as the Notes are outstanding.

**Provision of Information to the Noteholders**

For so long as the Notes are outstanding, the Servicer on behalf of the Seller will prepare the Servicing Reports detailing, among other things, certain aggregated loan file data in relation to the Portfolio.

For so long as the Notes are outstanding, the Cash Manager on behalf of the Seller will prepare the Investor Reports detailing, among other things, the Portfolio and cash flows.

The Seller shall procure that the Cash Manager makes each Servicing Report and Investor Report available to the Noteholders, the competent authorities and, upon request, to potential noteholders at least each quarter and at the latest one month after the due date for the payment of interest.

See "*Securitisation Regulations Reporting*" below for more information.

**Securitisation Regulations Reporting**

The Seller has been designated as the entity responsible for fulfilling the information requirements under Article 7 of the UK Securitisation Regulation pursuant to Article 7(2) of the UK Securitisation Regulation and under Article 7 of the EU Securitisation Regulation pursuant to Article 7(2) of the EU Securitisation and will either fulfil such requirements itself or shall procure that such requirements are complied with on its behalf.

The Seller (in its capacity as reporting entity for the purposes of Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation) shall procure:

- (i) preparation by the Servicer of the Servicing Reports to:
  - (a) comply with Article 7(1)(a) of the EU Securitisation Regulation, which will contain loan by loan and other information in relation to the Portfolio and contain all the relevant information required by the EU Article 7 Technical Standards (such report being the "**EU Servicing Report**"); and
  - (b) save to the extent that the Seller is permitted by the FCA to provide only an EU Servicing Report, comply with Article 7(1)(a) of the UK Securitisation Regulation, which will contain loan by loan and other information in relation to the Portfolio and contain all the relevant information required by the UK Article 7 Technical Standards;
- (ii) preparation by the Cash Manager of the Investor Reports to:
  - (a) comply with Article 7(1)(e) of the EU Securitisation Regulation, which will contain all the relevant information required by the EU Article 7 Technical Standards (such report being the "**EU Investor Report**"); and
  - (b) save to the extent that the Seller is permitted by the FCA to provide only an EU Investor Report, comply with Article 7(1)(e) of the UK Securitisation Regulation, which will contain all the relevant information required by the UK Article 7 Technical Standards;

- (iii) preparation of an inside information or significant event information report as required by and in accordance with Article 7(1)(f) and/or Article 7(1)(g) (as applicable) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (the "**EU SR Inside Information and Significant Event Report**") and (save to the extent that the Seller is permitted by the FCA to provide only an EU SR Inside Information and Significant Event Report) an inside information or significant event information report as required by and in accordance with Article 7(1)(f) and/or Article 7(1)(g) (as applicable) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the "**UK SR Inside Information and Significant Event Report**").

The Seller shall procure that the Cash Manager makes the information required under the UK Securitisation Regulation and the EU Securitisation Regulation available to the Noteholders, the competent authorities and, upon request, to potential noteholders by means of a securitisation repository or (where no securitisation repository is registered in accordance with Article 10 of the UK Securitisation Regulation and Article 10 of the EU Securitisation Regulation) by means of a website which conforms to the requirements set out in Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation. As at the Initial Issue Date, the Cash Manager (on behalf of the Seller) shall make available (i) the information required under the UK Securitisation Regulation by means of the website of European DataWarehouse (UK portal) at <https://editor.eurodw.co.uk/home> and (ii) the information required under the EU Securitisation Regulation by means of European DataWarehouse as securitisation repository.

**Communication with Noteholders**

Any notice shall be deemed to have been duly given to the Noteholders if sent to the Clearing Systems for communication by them to the holders of the Notes and shall be deemed to be given on the date on which it was so sent to the Clearing Systems. Any notice to the Noteholders shall also be published in accordance with the relevant guidelines of Euronext Dublin by a notification in writing to the Company Announcement Office of Euronext Dublin.

## CREDIT STRUCTURE AND CASHFLOWS

Please refer to sections, "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS", "OVERVIEW OF THE CONDITIONS OF THE NOTES" of this Base Prospectus for further detail in respect of the credit structure and cash flow of the transaction. For reference to the definitions of capitalised terms appearing in this Base Prospectus, see "GLOSSARY OF TERMS".

<b>Available Funds of the Issuer</b>	The Issuer will use the Available Funds for the purposes of making interest and principal payments under the Notes and meeting the Issuer's other payment obligations pursuant to the Transaction Documents.		
<b>Available Funds</b>	<p><b>"Available Funds"</b> means, in respect of any Payment Date falling after a Collection Period, the following sums which are credited to the General Collection Account in respect of such Collection Period (which shall not include amounts recorded in the Issuer Profit Ledger):</p> <ul style="list-style-type: none"> <li>(a) the Available Collections received in respect of such Collection Period;</li> <li>(b) the credit balance of the Revolving Account on the preceding Calculation Date;</li> <li>(c) the credit balance of the General Reserve Account on the preceding Calculation Date;</li> <li>(d) the Financial Income (if any) in respect of such Collection Period; and</li> <li>(e) during the Revolving Period only, the net proceeds of the issue of Notes which is credited on the General Collection Account on such Issue Date.</li> </ul>		
<b>Summary of Priority of Payments</b>	Below is a summary of the relevant payment priorities. Full details of the payment priorities are set out in Condition 2 ( <i>Status and Security</i> ).		
	<b>Revolving Period Priority of Payments</b>	<b>Pre-Enforcement Amortisation Period Priority of Payments</b>	<b>Post-Enforcement Period Priority of Payments</b>
	On each Payment Date during the Revolving Period, the Available Funds in respect of the immediately preceding Collection Period on deposit in the General Collection Account will be applied by the Cash Manager in accordance with the following order of priority together with any amount in respect of VAT (if any) on those amounts as provided for under the	On each Payment Date during the Pre-Enforcement Amortisation Period, the Available Funds in respect of the immediately preceding Collection Period on deposit in the General Collection Account will be applied by the Cash Manager in accordance with the following order of priority together with any amount in respect of VAT (if any) on those amounts as	Following the delivery of a Note Acceleration Notice by the Note Trustee pursuant to the Trust Deed, the Security Trustee shall apply all moneys (other than (i) amounts representing Excluded Proceeds and (ii) amounts recorded in the Issuer Profit Ledger) received by it under the Transaction Documents in connection with the realization or enforcement of the



	<p>Transaction Documents (in each case if and to the extent that payments of a higher priority have been made in full):</p>	<p>provided for under the Transaction Documents (in each case if and to the extent that payments of a higher priority have been made in full):</p>	<p>Security in making the following payments in the following order of priority together with any amount in respect of VAT (if any) on those amounts as provided for under the Transaction Documents (in each case only to the extent that all payments of a higher priority have been made in full):</p>
<p>(i) (with the exception of amounts to pay or discharge the Issuer's liability to corporation tax (if any) to be debited from the Issuer Profit Ledger in accordance with the Cash Management Agreement) amounts payable in respect of Taxes (if any) by the Issuer;</p>	<p>(i) (with the exception of amounts to pay or discharge the Issuer's liability to corporation tax (if any) to be debited from the Issuer Profit Ledger in accordance with the Cash Management Agreement) amounts payable in respect of Taxes (if any) by the Issuer;</p>	<p>(i) (with the exception of amounts to pay or discharge the Issuer's liability to corporation tax (if any) to be debited from the Issuer Profit Ledger in accordance with the Cash Management Agreement) amounts payable in respect of Taxes (if any) by the Issuer;</p>	
<p>(ii) to pay arrears of the Issuer Expenses due and payable on a previous Payment Date and remaining unpaid on such Payment Date;</p>	<p>(ii) to pay arrears of the Issuer Expenses due and payable on a previous Payment Date and remaining unpaid on such Payment Date;</p>	<p>(ii) to pay arrears of the Issuer Expenses due and payable on a previous Payment Date and remaining unpaid on such date;</p>	
<p>(iii) to pay the Issuer Expenses;</p>	<p>(iii) to pay the Issuer Expenses;</p>	<p>(iii) to pay the Issuer Expenses;</p>	
<p>(iv) to pay to the Servicer arrears of the Servicing Fee due and payable on a previous Payment Date and remaining unpaid on such Payment Date;</p>	<p>(iv) to pay to the Servicer arrears of the Servicing Fee due and payable on a previous Payment Date and remaining unpaid on such Payment Date;</p>	<p>(iv) to pay to the Servicer arrears of the Servicing Fee due and payable on a previous Payment Date and remaining unpaid on such date;</p>	
<p>(v) to pay to the Servicer the Servicing Fee;</p>	<p>(v) to pay to the Servicer the Servicing Fee;</p>	<p>(v) to pay to the Servicer the Servicing Fee;</p>	

	(vi) <i>pari passu</i> and <i>pro rata</i> to pay the Class A Notes Interest Amounts to the Paying Agent, for the account of the Class A Noteholders;	(vi) <i>pari passu</i> and <i>pro rata</i> to pay the Class A Notes Interest Amounts to the Paying Agent, for the account of the Class A Noteholders;	(vi) upon and following the occurrence of an Insolvency Event in relation to the Seller and provided that the Seller Performance Criteria are satisfied as at the Test Date immediately prior to any date on which the Security Trustee is to apply such payment, any Administrator Recovery Incentive Fee payable to the Seller;
	(vii) to credit the General Reserve Account up to the General Reserve Required Level as at the Calculation Date immediately preceding such Payment Date;	(vii) to credit the General Reserve Account up to the General Reserve Required Level as at the Calculation Date immediately preceding such Payment Date;	(vii) <i>pari passu</i> and <i>pro rata</i> , amounts payable in respect of accrued and unpaid interest on the Class A Notes (including, without limitation, overdue interest which shall be paid in priority to all other amounts in this item);
	(viii) (if applicable) to pay the Class A Notes Partial Early Amortisation Amount to the Paying Agent for the account of the Class A Noteholders;	(viii) to pay the Class A Notes Amortisation Amount to the Paying Agent for the account of the Class A Noteholders;	(viii) <i>pari passu</i> and <i>pro rata</i> to the Class A Noteholder, to repay the Note Principal Amount Outstanding in respect of the Class A Notes;
	(ix) amounts payable to the Seller in respect of the Monthly Receivables Purchase Amount;	(ix) to pay the Class B Notes Interest Amounts to the Paying Agent, for the account of the Class B Noteholder;	(ix) amounts payable in respect of accrued and unpaid interest on the Class B Note (including, without limitation, overdue interest);
	(x) towards transfer of the Residual Revolving Basis to the Revolving Account;	(x) to pay the Class B Note Amortisation Amount to the Paying Agent for the account of the Class B Noteholder;	(x) <i>pari passu</i> and <i>pro rata</i> , to the Class B Noteholder, to repay the Note Principal Amount Outstanding in respect of the Class B Notes;
	(xi) amounts payable in respect of accrued	(xi) to repay any Subordinated Loan then outstanding to	(xi) amounts payable in respect of accrued and unpaid

	<p>and unpaid interest on the Class B Notes;</p>	<p>the Subordinated Lender, in an amount equal to the General Reserve Decrease Amount in respect of such Payment Date and amounts payable in respect of accrued and unpaid interest on such Subordinated Loan;</p>	<p>interest and principal on the Subordinated Loan (including, without limitation, overdue interest); and</p>
	<p>(xii) (if applicable) to pay the Class B Notes Partial Early Amortisation Amount to the Paying Agent for the account of the Class B Noteholders;</p>	<p>(xii) to pay:                      (a) interest (including accrued interest) due and payable under the Subordinated Loan to the Subordinated Lender and, thereafter;                      (b) the Subordinated Loan Advance Repayment Amount to the Subordinated Lender; and</p>	<p>(xii) to the extent there are Available Funds remaining, towards payment to the Seller of the Deferred Purchase Price.</p>
	<p>(xiii) to repay any Subordinated Loan then outstanding to the Subordinated Lender, in an amount equal to the General Reserve Decrease Amount in respect of such Payment Date and amounts payable in respect of accrued and unpaid interest on such Subordinated Loan;</p>	<p>(xiii) to the extent there are Available Funds remaining, towards payment to the Seller as Deferred Purchase Price.</p>	
	<p>(xiv) to pay:                      (a) interest (including accrued interest) due and payable under the Subordinated Loan to the Subordinated Lender and, thereafter;                      (b) (if applicable) the Subordinated Loan Advance Repayment Amount to the</p>		

	Subordinated Lender in respect of a Partial Early Amortisation;		
	(xv) to the extent there are Available Funds remaining, towards payment to the Seller as Deferred Purchase Price.		
<p><b>General Credit Structure</b></p>	<p>The credit structure of the transaction includes the following elements:</p> <p><b>General Reserve Account</b></p> <p>The General Reserve Account will be funded by the Subordinated Loan provided by the Subordinated Lender to the Issuer up to the General Reserve Required Level.</p> <p>If the amount standing to the credit of the General Reserve Account is or would be less than the General Reserve Required Level on any Transfer Date (taking into account the Transferred Receivables to be purchased by the Issuer on such Transfer Date), the Issuer (acting on the instructions of the Cash Manager) shall deliver a Utilisation Request to the Subordinated Lender in accordance with the Subordinated Loan Agreement requesting a Subordinated Loan equal to at least the General Reserve Increase Amount, such amount to be paid into the General Reserve Account in accordance with the Cash Management Agreement.</p> <p>The General Reserve Required Level will be:</p> <ul style="list-style-type: none"> <li>(a) in relation to the Initial Issue Date, GBP10,417,000;</li> <li>(b) in relation to any Payment Date during the Revolving Period, an amount rounded up to the nearest GBP1,000 of 1 per cent of the Aggregate Note Principal Amount Outstanding of all Notes (taking into account any additional further issuance of the Notes to be issued or any redemption of the Notes to be paid on such Payment Date) provided that such amount cannot be below GBP250,000;</li> <li>(c) in relation to any Payment Date during the Pre-Enforcement Amortisation Period, the higher of (i) an amount rounded up to the nearest GBP1,000 of 1% of the Aggregate Note Principal Amount Outstanding of all the Notes on the respective Payment Date and (ii) GBP250,000, provided that if the General Reserve Required Level on the previous Payment Date is equal to or above the Notes Principal Amount Outstanding of the Class A Notes, such amount will be zero; and</li> <li>(d) otherwise, zero.</li> </ul> <p><b>Subordination</b></p> <p>Pursuant to the Priorities of Payments, the Class B Notes are subordinated in right of payment of principal and interest to the Class A Notes.</p>		

	<p>The Class A Notes will rank <i>pro rata</i> and <i>pari passu</i> without preference or priority among themselves at all times as to payments of interest and principal, as provided in the Conditions and the Transaction Documents.</p> <p>The Class B Notes will rank <i>pro rata</i> and <i>pari passu</i> without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Notes, as provided in the Conditions and the Transaction Documents.</p> <p>Pursuant to the Priorities of Payments, the Subordinated Loan is subordinated with respect to payment of interest and principal to the Notes.</p> <p>See the section "<i>CONDITIONS OF THE NOTES</i>" in this Base Prospectus for further information.</p>
<b>Bank Accounts and Cash Management</b>	<p>All Collections in respect of the Transferred Receivables in the Portfolio are received in the Servicer Collection Account. The Servicer is obliged to pay or cause to be paid all Collections (other than, so long as the Servicer is the Seller, any Excluded Proceeds) or any other amounts due under a Transferred Receivable into the Servicer Collection Account and transfer or cause to be transferred any amounts in respect of Collections (other than, so long as the Servicer is the Seller, any Excluded Proceeds) in respect of the Transferred Receivables into the General Collection Account on the Business Day following the day on which such funds are available in the Servicer Collection Account.</p> <p>In addition, the Seller has declared a trust over all amounts standing to the credit of the Servicer Collection Accounts in favour of the Issuer (in respect of any amounts received in respect of Transferred Receivables in the Portfolio), certain other beneficiaries and itself in accordance with the terms of the Servicing Agreement and the relevant Servicer Collection Account Declaration of Trust (as supplemented) (as to which see further the section entitled "<i>OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Servicer Collection Account Declaration of Trust</i>" in this Base Prospectus).</p> <p>On each Payment Date, amounts representing Collections for the relevant Collection Period, together with other items comprising the Available Funds, shall be applied by the Cash Manager in accordance with the applicable Priority of Payments.</p>

**TRIGGERS TABLES**  
**RATING TRIGGERS TABLE**

<u>Transaction Party</u>	<u>Required Ratings/Triggers</u>	<u>Possible effects of Trigger being breached include the following</u>
Account Bank	<p>(i) a long-term deposit rating or, if no long-term deposit rating is assigned, a long-term issuer default rating by Fitch of at least "A" or a short-term deposit rating or, if no short-term deposit rating is assigned, a short-term issuer default rating by Fitch of at least "F1" (the "<b>Fitch Required Ratings</b>"); and</p> <p>(ii) its unsecured, unsubordinated and unguaranteed long-term debt obligations being rated at least "A" by S&amp;P or its unsecured, unsubordinated and unguaranteed short-term debt obligations are rated at least "A-1" by S&amp;P (the "<b>S&amp;P Required Ratings</b>"),</p> <p>or such other rating or ratings as may be agreed by the relevant Rating Agency from time to time (or as are consistent with the then published criteria of the relevant Rating Agency) as would maintain the then current ratings of the Notes (together, the "<b>Required Ratings</b>").</p>	<p>If the Account Bank ceases to have the Required Ratings then, within 60 calendar days of the Account Bank ceasing to have the Fitch Required Ratings or within 90 calendar days of the Account Bank ceasing to have the S&amp;P Required Ratings, as applicable, the Issuer (or the Servicer on its behalf) will:</p> <ol style="list-style-type: none"> <li>1. use all reasonable endeavours to open replacement account(s) with a financial institution: (i) having all of the Required Ratings; (ii) which is a bank as defined in Section 991 of the Income Tax Act 2007 that will pay any interest in the ordinary course of its business; and (iii) which has entered into an agreement with the Cash Manager, the Security Trustee and the Issuer on substantially similar terms to those set out in the Bank Account Agreement, provided that where the Issuer determines that it is not practicable, taking into account the then prevailing market conditions (notwithstanding that the fee payable to the replacement account bank may be higher), to agree terms substantially similar to those set out in the Bank Account Agreement with such replacement account bank, the Issuer shall certify in writing to the Security Trustee, that such terms are reasonable commercial terms taking into account the then prevailing current market conditions, which certificate may be relied upon by the Security Trustee without any liability and without further enquiry and shall be</li> </ol>

<u>Transaction Party</u>	<u>Required Ratings/Triggers</u>	<u>Possible effects of Trigger being breached include the following</u>
		<p>conclusive and binding on all parties and the Secured Creditors; and following the opening of such replacement accounts, promptly close the Issuer Accounts held with the Account Bank; or</p> <ol style="list-style-type: none"> <li data-bbox="938 555 1401 936">2. use all reasonable endeavours to obtain a guarantee of the obligations of such Account Bank under the Bank Account Agreement from a financial institution having all of the Required Ratings within 60 calendar days or 90 calendar days, as applicable, following the downgrade action; or</li> <li data-bbox="938 958 1401 1160">3. take such other remedial action as may be acceptable to the Rating Agencies in order to maintain the ratings of the Most Senior Class of Notes.</li> </ol>
<p>Servicer Collection Account Bank</p>	<p>Its unsecured, unsubordinated and unguaranteed long-term debt obligations being rated at least "BBB" by S&amp;P or its unsecured, unsubordinated and unguaranteed short-term debt obligations are rated at least "A-2" by S&amp;P, or such other rating or ratings as may be agreed by the relevant Rating Agency from time to time (or as are consistent with the then published criteria of the relevant Rating Agency) as would maintain the then current ratings of the Notes.</p>	<p>The Issuer and the Servicer will (with the prior written consent of the Security Trustee) terminate the Servicer Collection Account Declaration of Trust and the Issuer will close the Servicer Collection Account (or direct the Servicer to do the same), in the event that the Servicer Collection Account Bank ceases to have the Required Ratings, provided that an amount at least equal to the balance in full of the Servicer Collection Account deriving from or related to the Transferred Receivables shall be transferred (at the Servicer's cost), within a period not exceeding 90 calendar days if the Servicer Collection Account Bank ceases to have the Required Ratings, as applicable, from the date on which the relevant ratings downgrade occurred, to accounts held with a financial institution:</p> <p>(a) with whom the Issuer, the Servicer (as beneficiary and trustee of the Trust) and the Security Trustee have</p>

<b><u>Transaction Party</u></b>	<b><u>Required Ratings/Triggers</u></b>	<b><u>Possible effects of Trigger being breached include the following</u></b>
		entered into an agreement on substantially the same terms and form as the Servicer Collection Account Declaration of Trust; and  (b) which is an Authorised Entity with the Required Ratings with respect to the Servicer Collection Account Bank.



**NON-RATING TRIGGERS TABLE**

<u>Nature of Trigger</u>	<u>Description of Trigger</u>	<u>Consequence of Trigger</u>
<b>Servicer Termination Event</b>	<p>The occurrence of any of the following events:</p> <ul style="list-style-type: none"> <li>(a) an Event of Default occurs with respect to the Servicer;</li> <li>(b) any payment obligation of the Servicer under any Transaction Document to which the Servicer is party is or becomes, for any reason, ineffective, or unenforceable, except if this is capable of remedy and is remedied by the Servicer within two Business Days; or</li> <li>(c) the appointment of the Servicer is terminated and no replacement servicer is appointed in accordance with the terms of the Servicing Agreement.</li> </ul>	<p>If any Servicer Termination Event occurs, the Issuer (prior to the delivery of a Note Acceleration Notice or notice that the Security Trustee has taken any action to enforce the Security) with the written consent of the Security Trustee, or (after the delivery of a Note Acceleration Notice) the Security Trustee itself, will by notice in writing to the Servicer terminate the Servicer's appointment as the Servicer under the Servicing Agreement with effect from the date (not earlier than the date of the notice) specified in the notice. Upon termination of the appointment of the Servicer under the Servicing Agreement, the Issuer will use its best endeavours to appoint a substitute servicer that has experience of servicing HP Agreements and PCP Agreements in the United Kingdom, is duly licensed and has obtained all the necessary Authorisations for such servicing activities.</p> <p>After the occurrence of a Servicer Termination Event, the Back-Up Servicer Facilitator will use best efforts to identify, on behalf of the Issuer, and assist the Issuer in the appointing of a suitable successor servicer in accordance with the Servicing Agreement.</p>
<b>Perfection Event</b>	<p>Following the occurrence of any of the following events, the Obligors will be notified in respect of the assignment of the Transferred Receivables to the Issuer:</p> <ul style="list-style-type: none"> <li>(a) a Servicer Termination Event;</li> <li>(b) a Seller Event of Default; or</li> <li>(c) it becomes necessary by law to perfect the Issuer's legal title to the Transferred Receivables, (or procure the</li> </ul>	<p>Upon the occurrence of a Perfection Event, the Seller (or the Issuer acting under the power of attorney granted to it in accordance with Schedule 11 (<i>Form of Proceedings Power of Attorney and Form of Perfection Power of Attorney</i>) of the Master Receivables Transfer Agreement) shall immediately notify each Obligor of the sale and transfer of the relevant Transferred Receivable to the</p>

	<p>perfection of the Issuer's legal title to the Transferred Receivables) in accordance with the terms of the Master Receivables Transfer Agreement.</p>	<p>Issuer by sending a Perfection Notice. In such Perfection Notice the Seller shall instruct the relevant Obligor to make any future payments in respect of the relevant Transferred Receivable directly to the General Collection Account.</p>
<p><b>Issuer Event of Default</b></p>	<p>The occurrence of any of the following events with the Issuer as the "<b>Relevant Person</b>":</p> <p>(a) the Relevant Person fails to make any payment payable by it under any Transaction Document when due in the currency and in the manner specified in the relevant Transaction Document except if such failure is due to technical reasons and such default is remedied by the Relevant Person within two Business Days, or, in the case of the Issuer, if the failure to pay is in respect of interest when due in the currency and in the manner specified herein where such failure to pay interest continues for five days or more;</p> <p>(b) if the Relevant Person is the Seller or the Servicer, any representation or warranty made by the Relevant Person pursuant to any Transaction Document or in any notice or other document, certificate or statement delivered by it pursuant hereto or in connection herewith is or proves to have been incorrect or misleading in any material respect when made and it is not remedied within 20 Business Days;</p> <p>(c) if the Relevant Person is the Seller or the Servicer, the Relevant Person fails duly to perform or comply with any of its obligations under the Transaction Documents to which it is a party (other than those referred to in paragraphs (a) and (b) above) and such failure is</p>	<p>If an Issuer Event of Default occurs, the Note Trustee at its absolute discretion may, and, if so directed in writing by the holders of at least 25% in Note Principal Amount Outstanding of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes (subject, in each case, to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction), will give a Note Acceleration Notice to the Issuer, the Security Trustee, the Account Bank, the Cash Manager and the Paying Agent declaring the Notes due and payable and each Note will accordingly become immediately due and payable, without further action or formality, at its Note Principal Amount Outstanding together with accrued interest.</p> <p>Following the occurrence of an Issuer Event of Default and the service of a Note Acceleration Notice in accordance with Condition 10 (<i>Events of Default</i>), the Security will become immediately enforceable (except where the Note Acceleration Notice has been served as a result of an Insolvency Event occurring solely due to the Issuer obtaining, or taking steps to obtain, a moratorium under the UK Insolvency Act 2000). The Note Trustee may at its discretion direct the Security Trustee to take action to enforce the Security, and will direct the Security Trustee to take such action to enforce the Security as directed in writing by the holders of at least 25% in Note Principal Amount Outstanding of the Most Senior</p>

	<p>not remedied within 20 Business Days;</p> <p>(d) an Insolvency Event occurs in respect of the Relevant Person;</p> <p>(e) if the Relevant Person is the Seller or the Servicer, at any time it is or becomes unlawful for the Relevant Person to perform or comply with any or all of its obligations under the Notes or the Transaction Documents or any of the obligations of the Relevant Person under the Notes or the Transaction Documents are not or cease to be legal, valid and binding; and</p> <p>(f) if the Relevant Person is the Seller or the Servicer, any Authorisation required by the Relevant Person to perform its obligations under the Transaction Documents is revoked or suspended.</p>	<p>Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes, subject in each case to the Note Trustee and the Security Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction.</p>
<p><b>Cash Manager Termination Events</b></p>	<p>The occurrence of any of the following in relation to the Cash Manager:</p> <p>(i) the Cash Manager does not perform or comply with any one or more of its obligations in the Cash Management Agreement or the other Transaction Documents to which it is expressed to be a party, which default is:</p> <p>(a) in the opinion of the Security Trustee materially prejudicial to the interests of the Secured Creditors; and</p> <p>(b) incapable of remedy or, if, in the opinion of the Security Trustee capable of remedy, is not remedied within 30 days after the earlier of:</p> <p>(I) the Cash Manager becoming aware of such default; and</p> <p>(II) notice of such default having been given to the</p>	<p>The Issuer (prior to the delivery of a Note Acceleration Notice or notice that the Security Trustee has taken any action to enforce the Security) with the written consent of the Security Trustee, or (after the delivery of a Note Acceleration Notice) the Security Trustee itself will, upon written notice at any time after a Cash Manager Termination Event occurs, terminate the appointment of the Cash Manager and the Issuer (or the Servicer on its behalf) will appoint a replacement cash manager on terms substantially the same as those contained in the Cash Management Agreement.</p> <p>The Cash Manager may, at any time, terminate its appointment and cease to operate the Issuer Accounts pursuant to the Cash Management Agreement on giving not less than 180 days' prior written notice thereof without assigning any reason therefore and without being</p>

	<p>Cash Manager by the Issuer or the Security Trustee;</p> <p>(ii) any Insolvency Event occurs in respect of the Cash Manager;</p> <p>(iii) following the delivery of a Note Acceleration Notice by the Note Trustee pursuant to the Trust Deed, the Security Trustee determines that the Cash Manager's appointment under the Cash Management Agreement is materially prejudicial to the interests of the Secured Creditors;</p> <p>(iv) the Cash Manager fails to maintain all appropriate Authorisations with, governmental and other regulatory authorities required by it to perform its obligations under the Cash Management Agreement or the other Transaction Documents to which it is expressed to be a party; or</p> <p>(v) the Cash Manager is prevented or severely hindered for a period of 20 days or more from complying with its obligations under the Cash Management Agreement as a result of a Force Majeure Event and such Force Majeure Event continues for 10 Business Days after the occurrence of such Force Majeure Event.</p>	<p>responsible for any costs occasioned by such cessation.</p>
--	--	--

**FEES**

The following table sets out the on-going fees to be paid by the Issuer to the transaction parties.

<b>Type of Fee</b>	<b>Amount of Fee</b>	<b>Priority in Cashflow</b>	<b>Frequency</b>
Servicing fees	The product of (x) a rate of 0.50 per cent., (y) the aggregate Principal Outstanding Balance of the Transferred Receivables as of the immediately preceding Payment Date (excluding any written off Receivables) and (z) 1/12th (inclusive of VAT), subject to the terms of the Servicing Agreement.	Ahead of all outstanding Notes	Each Payment Date
Other ongoing fees and expenses of the Issuer	Estimated at around £175,000 each year (exclusive of VAT)	Ahead of all outstanding Notes	Each Payment Date
Expenses related to the admission to trading of the Class A Notes	Listing fees – estimated at €8,940 (exclusive of VAT)		On or about the Initial Issue Date

## LEGAL AND REGULATORY CONSIDERATIONS

### *Securitisation Regulations*

By virtue of the EUWA, the UK Securitisation Regulation (which largely mirrors, with some amendments, the EU Securitisation Regulation), is now applicable in the UK following the end of the transitional period in the Brexit process, subject to the temporary transitional relief available in certain areas. Please refer to the section entitled "*RISK FACTORS – REGULATORY AND MACRO-ECONOMIC RISKS RELATING TO THE NOTES – Securitisation Regulations*" for further details.

### *Transparency requirements*

Under Article 7 of the UK Securitisation Regulation and Article 7 of the EU Securitisation Regulation, certain Transaction Documents and the Base Prospectus are required to be made available to investors before pricing. Under Article 5(1)(e) of the UK Securitisation Regulation and Article 5(1)(e) of the EU Securitisation Regulation, institutional investors are required to verify that the originator or issuer has, where applicable, made available the information required by Article 7 of the UK Securitisation Regulation and Article 7 of the Securitisation Regulation. It is not possible to make final documentation available before pricing and so the Seller (or the Cash Manager on its behalf) has made draft documentation available in substantially final form (which may be subject to change following pricing) by way of the website of European DataWarehouse (UK portal) at <https://editor.eurowdw.co.uk/home> and by means of European DataWarehouse as securitisation repository. Such Transaction Documents in final form will be available on and after the Initial Issue Date. The website of European DataWarehouse (UK portal) at <https://editor.eurowdw.co.uk/home> and its contents do not form part of this Base Prospectus.

Article 7 of the UK Securitisation Regulation and Article 7 of the EU Securitisation Regulation also includes ongoing reporting obligations to holders of a securitisation position, to the relevant competent authorities and, upon request, to potential investors which include quarterly portfolio level disclosure, quarterly investor reports, any inside information relating to the securitisation that the reporting entity is obliged to make public under the UK Market Abuse Regulation or the EU Market Abuse Regulation and, where applicable, information on "significant events".

Under Article 5(1)(e) of the UK Securitisation Regulation and Article 5(1)(e) of the EU Securitisation Regulation, institutional investors are required to verify that the originator or issuer has, where applicable, made available the information required by Article 7 of the UK Securitisation Regulation and Article 7 of the EU Securitisation Regulation. The loan reports and the investor reports are to be made available simultaneously on a quarterly basis and at the latest one month after each Payment Date. Disclosures relating to any inside information or significant events are required to be made available "without delay".

The disclosure regulatory technical standards were adopted and published by the European Commission on 16 October 2019 and came into force on 23 September 2020. These have been onshored for application in the UK from the beginning of 2021.

Any failure by the Seller to fulfil the applicable transparency requirements or covenants relating thereto may cause the transaction to be non-compliant with the UK Securitisation Regulation and the EU Securitisation Regulation.

Please see the section entitled "*RISK RETENTION AND SECURITISATION REGULATIONS REPORTING*" for more information in respect of the Seller's reporting obligations as the reporting entity.

### **Simple, transparent and standardised securitisation – The Notes will not be STS**

As at the Initial Issue Date, no notification will be submitted to the FCA, in accordance with Article 27 of the UK Securitisation Regulation, confirming that the requirements of Articles 18 to 22 of the UK Securitisation Regulation have been satisfied with respect to the Notes (such notification, a "**UK STS Notification**"), and no notification will be submitted to ESMA, in accordance with Article 27 of the EU

Securitisation Regulation, confirming that the requirements of Articles 18 to 22 of the EU Securitisation Regulation have been satisfied with respect to the Notes (such notification, an "**EU STS Notification**").

Please refer to the section entitled "*RISK FACTORS – REGULATORY AND MACRO-ECONOMIC RISKS RELATING TO THE NOTES – Simple, transparent and standardised securitisations*" for further details.

### **Finance Agreements regulated by the Consumer Credit Act 1974 (as amended)**

#### ***Regulatory framework***

The FCA is responsible for the supervision and regulation of regulated consumer credit business in the UK. Under the FSMA: (a) carrying on certain credit-related regulated activities otherwise than in compliance with permission from the FCA will render the credit agreement unenforceable without FCA approval; and (b) the FCA has power to render unenforceable contracts made in contravention of any rules which it may make on cost and duration of credit agreements or in contravention of its product intervention rules. There is also formalised cooperation between the FCA and the Financial Ombudsman Service, particularly where issues identified potentially have wider implications, with a view to the FCA requiring affected firms to operate consumer redress schemes.

The regulatory framework for consumer credit in the UK consists of FSMA, and its secondary legislation, including the Financial Services and Markets Act (Regulated Activities) Order 2001, or the "**RAO**", the Consumer Credit Act 1974 (amended by the Consumer Credit Act 2006) and its retained associated secondary legislation, or the "**CCA**", and rules and guidance in the FCA Handbook, including the Consumer Credit sourcebook, or the "**CONC**". Article 60B of the RAO defines a regulated credit agreement as an agreement between an individual and any other person under which the other person provides the individual with credit of any amount and which is not an exempt agreement under articles 60C to 60HA of the RAO. Article 60C of the RAO exempts consumer credit contracts exceeding the value of £25,000, which are entered into wholly or predominantly for the debtor's business purposes.

The CCA applies to regulated consumer credit contracts. The application of the CCA to the Finance Agreements will have several consequences including the following:

#### *(a) Voluntary Terminations*

At any time before the last payment falls due under the relevant regulated consumer credit contract, the customer may, under sections 99 and 100 of the CCA, terminate the relevant regulated consumer credit contract. Customers do not have to state a reason for exercising their rights under these sections. Generally customers may take advantage of the right of voluntary termination when they are in financial difficulty, or when the residual value of the vehicle on part-exchange is less than the amount that would be payable on early settlement. To terminate the regulated consumer credit contract, the customer is required to give notice to RCI Financial Services Ltd and after notification the customer must return the vehicle, at its own expense, to an address as reasonably required by RCI Financial Services Ltd, together with everything supplied with the vehicle.

In such a case RCI Financial Services Ltd has a right to:

- (i) all arrears of payments due and damages incurred for any other breach of the regulated consumer credit contract by the customer before such termination;
- (ii) the amount (if any) by which one half of the total amount which would have been payable under the regulated consumer credit contract if it had run its course exceeds the aggregate of sums already paid by the customer and amounts due from the customer under the regulated consumer credit contract immediately before exercise by the customer of its statutory right of termination;
- (iii) possession of the relevant vehicle subject to the regulated consumer credit contract being terminated; and

- (iv) any other sums due but unpaid by the customer under the regulated consumer credit contract.

Following the voluntary termination of a Finance Agreement, RCI Financial Services Ltd will take possession of the relevant vehicle and will sell such vehicle according to its customary origination and servicing procedures. RCI Financial Services Ltd will apply (a) any amounts received per paragraphs (i) and (ii) above and (b) any proceeds from the sale of the vehicle to reduce the receivables balance of the Finance Agreement that remains outstanding following the voluntary termination. Following such application, any remaining amounts of receivables balance on the Finance Agreement that has been the subject of the voluntary termination will be written-off and reduced to zero.

If a Obligor terminates a Finance Agreement under section 99 of the CCA, it is possible that the Issuer will not receive the full amount of the principal amount outstanding on the relevant Transferred Receivable and an amount of principal will accordingly be written-off. This in turn could trigger losses under the Notes.

- (b) *Early Settlement of regulated consumer credit contracts*

The customer has a statutory right to discharge his payment liability, and obtain title to the vehicle, under a regulated consumer credit contract in advance of its scheduled final repayment date by paying RCI Financial Services Ltd all unpaid scheduled payments through to the scheduled final repayment date together with all other amounts due and payable under the relevant regulated consumer credit contract less a rebate calculated under the Consumer Credit (Early Settlement) Regulations 2004, or the "**Early Settlement Regulations**" (see "*Rebate on Early Settlement or on Termination of a regulated consumer credit contract by RCI Financial Services Ltd*" below).

In addition, the customer under a regulated consumer credit contract has a right to make partial early repayments of the regulated consumer credit contract. One or more partial early repayment(s) may be made at any time during the life of the relevant regulated consumer credit contract, subject to the customer taking certain steps as outlined in Section 94 of the CCA. The terms on partial early settlement are largely the same as those for full early settlement and the framework operates in much the same way.

- (c) *Termination of regulated consumer credit contracts*

RCI Financial Services Ltd has the right to terminate a regulated consumer credit contract in the event of an unremedied material breach of agreement by the customer. In such case RCI Financial Services Ltd has the right to repossess the vehicle (however, where the customer has paid at least one-third of the total amount payable, the vehicle becomes "protected" under the CCA with the consequences described in "*Protected Goods*" below) and recover either:

- (i)
- (1) all arrears of payments due and damages incurred for any breach of the regulated consumer credit contract by the customer before such termination;
  - (2) all RCI Financial Services Ltd's expenses of recovering or trying to recover the vehicle, storing it and tracing the customer and any shortfall relating to the sale or other disposal of vehicle (including all expenses of sale); and
  - (3) any other sums due but unpaid by the customer under the regulated consumer credit contract less a rebate calculated in compliance with the Early Settlement Regulations (see "*Rebate on Early Settlement or on Termination of a regulated consumer credit contract by RCI Financial Services Ltd*" below); or
- (ii) such lesser amount as a court considers will compensate RCI Financial Services Ltd for its loss.



Court decisions have conflicted on whether the amount payable by the customer on termination by the lender (for example, for repudiatory breach by the customer) is restricted to the amount calculated by the one-half formula for termination by the customer. The Finance Agreements provide that the amount payable by the customer on termination by RCI Financial Services Ltd is the outstanding balance of the total amount payable under the Finance Agreements less any statutory rebate for early settlement and less any proceeds of sale or estimated value of the vehicle so the Finance Agreements reflect those court decisions favourable to RCI Financial Services Ltd on this point.

(d) *Rebate on Early Settlement or on Termination of a regulated consumer credit contract by RCI Financial Services Ltd*

In the case of regulated consumer credit contracts, a rebate of credit charges may be due on early settlement. The amount of the rebate is calculated under the Early Settlement Regulations. The rebate is available only in the circumstances specified in the Early Settlement Regulations. No rebate is required where the customer exercises his right to terminate a regulated consumer credit contract as described in (a) above, as the customer may terminate the relevant regulated consumer credit contract, without discharging in full the total amount payable under the regulated consumer credit contract.

(e) *Time Orders*

If, for a regulated consumer credit contract, certain default or enforcement proceedings are taken or notice of early termination is served on a customer, the customer can apply to the court for a time order to change the timing of payments under his contract or to repay the outstanding sum by lower instalments than provided for in his regulated consumer credit contract. Under the CCA the court has a wide discretion to order amendments to the relevant regulated consumer credit contract as it considers fit, to achieve the objectives of the time order.

(f) *Bona fide purchaser*

A disposition of the vehicle by the customer to a bona fide private purchaser without notice of the Finance Agreement will transfer to the purchaser RCI Financial Services Ltd's title to the vehicle.

(g) *Enforcement of improperly executed or modified regulated consumer credit contracts*

If a regulated consumer credit contract has been "improperly executed" (as described in the CCA) or improperly modified under the CCA, it may be unenforceable unless a court order has been obtained.

(h) *Interpretation of technical rules*

RCI Financial Services Ltd has interpreted certain technical rules under the CCA in a way common with many other lenders in the vehicle finance market. If such interpretation were held to be incorrect by a court or other dispute resolution authority, then the contract would be unenforceable without a court order. If such interpretation were challenged by a significant number of customers, then 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 such decisions 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, lenders have historically pursued such debts as though they are enforceable, until such time as those defects were raised by the borrower and/or the court in any claim. To mitigate the risks associated with this approach, lenders currently 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 section 77 and 78 of the CCA, steps which fell short of obtaining a court judgment against the borrower were not "enforcement" within the meaning of the CCA.

(i) "*Unfair relationship*"

The court has power under section 140A of the CCA to determine that the relationship between a lender and a customer arising out of the credit agreement (whether alone or with any related agreement) is unfair to the consumer. In applying the unfair relationship test, the courts are able to consider a wider range of circumstances surrounding the transaction, including the lender's conduct before and after making the agreement. There is no statutory definition of "unfair" as the intention is for the test to be flexible and subject to judicial discretion. However the word "unfair" is not an unfamiliar term in legal use in the United Kingdom due to the Unfair Contract Terms Act 1977, the Unfair Terms in Consumer Contracts Regulations 1999 and the Consumer Rights Act 2015. The courts may look to the above legislation for guidance. The FCA principles are also relevant and apply to the way contract terms are used in practice and not just the way they are drafted. Once an obligor alleges that an unfair relationship exists, the burden of proof is on the lender to prove the contrary.

*Plevin v Paragon [2014] UKSC 61*, a November 2014 Supreme Court judgment, 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, 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. Where add-on products such as GAP or PPI insurance are sold and are subject to significant commission payments, it is possible that the non-disclosure of commission by the lender is a factor that could form part of a finding of unfair relationship. In November 2015, the FCA published its Consultation Paper CP 15/39 entitled "Rules and guidance on payment protection insurance complaints" and in August 2016 the FCA published a supplementary Consultation Paper CP 16/20 and its final Policy Statement on 2 March 2017. The new rules and/or guidance may result in an increase in the volume of Plevin-based unfair relationship claims brought against lenders who failed to disclose significant PPI commissions when entering into credit agreements. The PPI complaints deadline was 29 August 2019.

The FCA has given no indication during the periods of consultation that it will extend the Plevin PPI complaints rules and guidance specifically to undisclosed commissions in relation to GAP insurance. Although the FCA told firms to be aware of Plevin and its impact on lenders' failures to disclose commissions during its GAP insurance consultation CP 14/29 in the Spring of 2015, the FCA did not address Plevin when it published its policy statement PS 15/13 in June 2018.

(j) *Financial Ombudsman Service*

The Financial Ombudsman Service 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.

Under FSMA, the Financial Ombudsman Service is required to make decisions on, among others, complaints relating to the terms in agreements on the basis of what, in the Ombudsman's opinion, would be fair and reasonable in all the circumstances of the case, taking into account, among others, law and guidance. Complaints brought before the Financial Ombudsman Service for consideration must be decided on a case-by-case basis, with reference to the particular facts of any individual case. Each case would first be adjudicated by an adjudicator. Either party to the case may appeal against the adjudication. In the event of an appeal, the case proceeds to a final decision by the Financial Ombudsman Service. The Financial Ombudsman Service may order a money award to a customer, which may adversely affect the value at which the Finance Agreement could be realised and accordingly the ability of the Issuer to meet its obligations under the Notes. The jurisdiction of the Financial Ombudsman Service has applied since 6 April 2007.

(k) *Private rights of action under the FSMA*

A customer who is a private person may have a right to claim damages for loss suffered as a result of any contravention by an FCA authorised person of a rule under the FSMA. From 1 April

2014, such rules include rules in the CONC, which transposes certain requirements previously made under the CCA and in OFT guidance. The customer may set off the amount of the claim for contravention of CONC against the amount owing under the regulated consumer credit contract or any other credit agreement 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 on the Notes.

(l) *Enforcement action by the FCA*

The FCA has a broad range of enforcement powers under the FSMA which it can take against authorised firms where the firm breaches a requirement of the FSMA. These powers include the ability to order restitution and implement consumer redress schemes under Section 404 of FSMA as well as product intervention powers where it considers there is the potential for significant consumer detriment. In addition where a lender or broker does not have the relevant permission an agreement will be unenforceable against the customer without an order of the FCA.

(n) *Servicing Requirements*

RCI Financial Services Ltd must comply with certain post contract information requirements under the CCA. Failure to comply with these requirements may have a significant impact. For example: (a) the credit agreement is unenforceable against the customer for any period when the lender fails to comply with requirements as to periodic statements, arrears notices or default fee notices (although any such unenforceability may be cured prospectively by the lender complying with requirements as to periodic statements, arrears notices and default fee notices); (b) the customer is not liable to pay interest or default fees for any period when the lender fails to comply with requirements as to periodic statements or arrears notices; and (c) interest on default fees is restricted to nil until the 29th day after the day on which a notice of default fees is given and then to simple interest (i.e. interest may only be calculated on the principal amount of the default fee).

***Liability for misrepresentations and breach of contract and set-off***

(a) *Regulated consumer credit contracts*

Under section 75 of the CCA, a customer may make a claim against RCI Financial Services Ltd as well as a supplier for misrepresentations made by the supplier in a transaction between the supplier and the customer during negotiations between them before execution of the relevant regulated consumer credit contracts 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 or breach of contract by an insurer (or a dealer on its behalf) in relation to an insurance contract between the insurer and the customer and financed by a regulated consumer credit contract. A customer may set-off the amount of the claim against the amount owing under the regulated consumer credit contract. Any such set-off may adversely affect the Issuer's ability to make payments in full when due on the Notes.

In all the above circumstances, RCI Financial Services Ltd normally has a right to be reimbursed by the supplier for any amount paid to the customer regarding the customer's claim and any costs (including legal costs) incurred in defending the claim.

In addition under section 56 of the CCA where a credit broker, such as a dealer, carries out antecedent negotiations with a debtor those negotiations will be deemed to be performed in the capacity of agent of the creditor as well as in his actual capacity. As a result RCI Financial Services Ltd will be potentially liable for misrepresentations made by a credit broker involved in introducing a customer to RCI Financial Services Ltd. This liability arises in relation to the vehicle, and applies for example, to the dealer's promise to the customer on the quality or fitness of the vehicle, and can extend, for example, to the dealer's promise to apply a part-exchange allowance to discharge an existing credit agreement. If such pre-contractual statement is a

misrepresentation or implied condition in the regulated consumer credit contract, then the customer has a right to, amongst other things, rescind the contract and return the goods, and to treat the contract as repudiated by RCI Financial Services Ltd and accept such repudiation by notice, and is not liable to make further payments, and may claim repayment of the amounts paid by the customer under the contract and damages such as the cost of hiring an alternative vehicle. The customer may set-off the amount of such money claim against the amount owing by the customer under the credit agreement or any other credit agreement he has taken with RCI Financial Services Ltd (or exercise analogous rights in Scotland or Northern Ireland). Such set-off may adversely affect the Issuer's ability to make payments in full when due on the Notes.

(b) *All Finance Agreements (including regulated consumer credit contracts)*

Under the Supply of Goods (Implied Terms) Act 1973 a customer may also make a claim for breach of contract against RCI Financial Services Ltd or, potentially, terminate the Finance Agreement for repudiatory breach if the vehicle the subject of the Finance Agreement is not of satisfactory quality (which includes an assessment of whether it is fit for its intended purpose).

For agreements entered into on or after 1 October 2015 by a customer acting wholly or mainly outside that customer's trade, business, craft or profession) equivalent protections are set out in the Consumer Rights Act 2015.

RCI Financial Services Ltd cannot exclude liability for breach of a consumer's statutory rights arising either under the Supply of Goods (Implied Terms) Act 1973 or the Consumer Rights Act 2015 and any exclusion where the customer is a business customer will be subject to a test of reasonableness.

In the above circumstances, RCI Financial Services Ltd will normally have a right to claim against the dealer or supplier for any amount paid to the customer regarding the customer's claim and any costs (including legal costs) incurred in defending the claim. If such case arises and the customer's claim is successful, RCI Financial Services Ltd would also ordinarily seek to sell the vehicle back to the dealer.

***Protected Goods***

If, under a regulated consumer credit contract, the customer has paid RCI Financial Services Ltd one-third or more of the total amount payable under the relevant regulated consumer credit contract, the vehicle becomes "protected" under section 90 of the CCA and RCI Financial Services Ltd does not have the right to repossess it, unless RCI Financial Services Ltd first obtains an order from the court to this effect. If, however, the customer terminates the regulated consumer credit contract, the vehicle ceases to be "protected" and RCI Financial Services Ltd may effect repossession unless the court grants the customer a "time order" rescheduling the customer's outstanding liabilities under the regulated consumer credit contract, or otherwise exercises any other discretion which it may have under the CCA. If any of the Vehicles used by Obligors are protected, this could cause delays in recovering amounts due from the Obligors and may reduce amounts available to Noteholders.

***Other Risks Resulting from Consumer 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 Finance Agreements involving consumers entered into before 1 October 2015. A customer 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 customer.

A term will 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. There is no strict definition as to what will be 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 at the time of the conclusion of the contract.

Ultimately, only a court can decide whether a term is fair and 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 then impending enactment of the Consumer Rights Act 2015 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 Consumer Rights Act 2015 will apply in place of the UTCC Regulations. The Consumer Rights Act 2015 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 Finance Agreement. The Consumer Rights Act 2015 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.

It is not certain whether the implementation of the Consumer Rights Act 2015 or changes to guidance will have an adverse effect on the receivables, RCI Financial Services Ltd, the Issuer and their respective businesses and operations. The broad and general wording of the UTCCR and the Consumer Rights Act 2015 makes any assessment of the fairness of terms largely subjective and makes it difficult to predict whether or not a court would find a term to be unfair. It is therefore possible that the agreements made with consumers may contain unfair terms, which may result in the possible unenforceability of those unfair terms. This may adversely affect the ability of the Issuer to dispose of receivables, or any part of the receivables, in a timely manner and/or the realisable value of the receivables, or any part of the receivables, and accordingly affect the ability of the Issuer to meet its obligations under the Notes when due.

It is not certain whether future changes to the Consumer Rights Act 2015, the manner in which the Consumer Rights Act 2015 is applied, interpreted or enforced, or changes to guidance relating to the Consumer Rights Act 2015 will have an adverse effect on the receivables, RCI Financial Services Ltd, the Issuer and their respective businesses and operations. This may adversely affect the ability of the Issuer to dispose of Receivables, or any part of the Receivables in a timely manner and/or the realisable value of the Receivables, or any part of the Receivables, 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 of 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 immoveable property) Member States may not impose more stringent terms 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), or the "**Consumer Protection Regulations**", which implement the UCPD, came into force on 26 May 2008.

The Consumer Protection Regulations include three key restrictions:

- (i) 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. Under Regulation 3, a commercial practice is "unfair" if:
  - (1) 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
  - (2) the practice materially distorts or is likely to materially distort the economic behaviour of the average consumer with regard to the product in question.
- (ii) Regulations 5 to 7 set out specific prohibitions regarding misleading actions or omissions, and aggressive practices, respectively.
- (iii) 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 to prove a breach under the Consumer Protection Regulations.

Enforcers (such as the Competition Markets Authority and local trading standards authorities) may take civil enforcement action regarding 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.

The Consumer Protection (Amendment) Regulations 2014 have amended the Consumer Protection Regulations with effect from 1 October 2014 so as to give consumers a right to redress for prohibited practices, including a right to unwind agreements.

The Consumer Protection Regulations require the Competition and Markets Authority (or before 1 April 2014, the OFT) and local trading standards authorities to enforce the Consumer Protection Regulations by prosecution or by seeking an enforcement order to prevent a business from carrying on unfair practices. In addition, the FCA (or before 1 April 2014, the OFT) addresses unfair practices in its regulation of consumer finance. It is not certain whether any regulatory action or guidance related to the Consumer Protection Regulations will have a material adverse effect on the Finance Agreements and accordingly on the Issuer's ability to make payments in full when due on the Notes.

## **RISK RETENTION AND SECURITISATION REGULATIONS REPORTING**

### **Article 6 of the UK Securitisation Regulation and Article 6 of the EU Securitisation Regulation**

The Seller, as originator, will retain a material net economic interest of not less than 5% in the securitisation as required by Article 6(1) of the UK Securitisation Regulation and Article 6(1) of the EU Securitisation Regulation (in the case of the EU Securitisation Regulation, not taking into account any relevant national measures). As of the Initial Issue Date, such interest will, in accordance with Article 6(3)(d) of the UK Securitisation Regulation and Article 6(3)(d) of the EU Securitisation Regulation, be retained through the holding of the Class B Notes and the Subordinated Loan.

The Seller has provided an undertaking with respect to the interest to be retained by it in the Master Receivables Transfer Agreement and the Note Purchase Agreement.

The Seller has not selected Receivables to be sold to the Issuer with the aim of rendering losses on the Receivables sold to the Issuer, measured over a period of 4 years, higher than the losses over the same period on comparable assets held on the balance sheet of the Seller.

### **Article 9(1) of the UK Securitisation Regulation and Article 9(1) of the EU Securitisation Regulation**

The Seller confirms that it has applied to the Receivables which will be transferred by it to the Issuer the same sound and well-defined criteria for credit-granting in accordance with Article 9(1) of the UK Securitisation Regulation and Article 9(1) of the EU Securitisation Regulation which it applies to non-securitised Receivables. In particular, the Seller has:

- (a) applied the same clearly established processes for approving and, where relevant, amending, renewing and refinancing the Receivables; and
- (b) effective systems in place to apply those criteria and processes in order to ensure that credit granting is based on a thorough assessment of the Obligor's creditworthiness, taking appropriate account of factors relevant to verifying the prospect of the Obligor meeting his obligations under the related Finance Agreement.

### **Reporting under the UK Securitisation Regulation and the EU Securitisation Regulation**

#### ***Reporting entity***

For the purposes of Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation, the Seller, as originator, and the Issuer have agreed that the Seller is designated as the entity responsible for compliance with the requirements of Article 7 of the UK Securitisation Regulation and Article 7 of the EU Securitisation Regulation and will either fulfil such requirements itself or shall procure that such requirements are complied with on its behalf.

Information will also be made available by the Seller (or on behalf of the Seller) as required by Article 7 of the EU Securitisation Regulation in accordance with the frequency and modalities provided for in that Article.

### **Information available prior to the pricing of the Notes**

#### ***Transaction Documents***

In accordance with Article 7(1)(b) of the UK Securitisation Regulation and Article 7(1)(b) of the EU Securitisation Regulation, the Seller shall procure that the Cash Manager makes available, upon request, to potential investors the drafts of the Transaction Documents that are essential for the understanding of the transaction described in this Base Prospectus.

### **Information available after the pricing of the Notes**

### ***Servicing Report***

On behalf of the Seller, the Servicer will prepare the Servicing Reports in order to:

- (i) comply with Article 7(1)(a) of the EU Securitisation Regulation, which will contain loan by loan and other information in relation to the Portfolio and contain all the relevant information required by the EU Article 7 Technical Standards (such report being the "**EU Servicing Report**"); and
- (ii) save to the extent that the Seller is permitted by the FCA to provide only an EU Servicing Report, comply with Article 7(1)(a) of the UK Securitisation Regulation, which will contain loan by loan and other information in relation to the Portfolio and contain all the relevant information required by the UK Article 7 Technical Standards.

### ***Investor Report***

On behalf of the Seller, the Cash Manager will prepare the Investor Reports in order to:

- (i) comply with Article 7(1)(e) of the EU Securitisation Regulation, which will contain all the relevant information required by the EU Article 7 Technical Standards (such report being the "**EU Investor Report**"); and
- (ii) save to the extent that the Seller is permitted by the FCA to provide only an EU Investor Report, comply with Article 7(1)(e) of the UK Securitisation Regulation, which will contain all the relevant information required by the UK Article 7 Technical Standards..

The Cash Manager (on behalf of the Seller) shall make available each Servicing Report and Investor Report to the Noteholders, the competent authorities and, upon request, to potential noteholders at least each quarter and at the latest one month after the due date for the payment of interest in accordance with the UK Securitisation Regulation and the EU Securitisation Regulation.

### ***Inside Information and Significant Event Report***

In accordance with Article 7(1)(f) and Article 7(1)(g) of the UK Securitisation Regulation and Article 7(1)(f) and Article 7(1)(g) of the EU Securitisation Regulation, the Seller shall procure that the Cash Manager makes available an inside information or significant event information report as required by and in accordance with Article 7(1)(f) and/or Article 7(1)(g) (as applicable) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (the "**EU SR Inside Information and Significant Event Report**") and (save to the extent that the Seller is permitted by the FCA to provide only an EU SR Inside Information and Significant Event Report) an inside information or significant event information report as required by and in accordance with Article 7(1)(f) and/or Article 7(1)(g) (as applicable) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the "**UK SR Inside Information and Significant Event Report**").

The Cash Manager (on behalf of the Seller) shall make such EU SR Inside Information and Significant Event Report and/or UK SR Inside Information and Significant Event Report available without delay, in each case, to the Issuer, the Noteholders, the competent authorities and, upon request, to potential noteholders in accordance with the UK Securitisation Regulation and the EU Securitisation Regulation.

### ***BOE Cash Flow Model***

For the purpose of the Bank of England's Sterling Monetary Framework, the Seller shall procure that the Cash Manager makes the BOE Cash Flow Model available to the Noteholders on an ongoing basis and to potential investors upon request.

### ***Base Prospectus and Transaction Documents***

In accordance with Article 7(1)(b) of the UK Securitisation Regulation and Article 7(1)(b) of the EU Securitisation Regulation, the Seller shall procure that the Cash Manager makes available to



Noteholders and upon request, to potential investors, this Base Prospectus and the Transaction Documents.

**Article 5 of the UK Securitisation Regulation and Article 5 of the EU Securitisation Regulation**

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Base Prospectus generally for the purposes of complying with Article 5 of the UK Securitisation Regulation and, to the extent applicable, Article 5 of the EU Securitisation Regulation and, in the case of the EU Securitisation Regulation, any national measures which may be relevant and none of the Issuer, the Seller nor the Arranger makes any representation that the information described above or in this Base Prospectus is sufficient in all circumstances for such purposes.

## DESCRIPTION OF THE NOTES

In respect of a Series, the Class A Notes will initially be issued in global registered form in an aggregate principal amount equal to an initial Note Principal Amount Outstanding for such Class, which will be increased following any issue of Further Notes.

In respect of a Series, the Global Notes representing the Class A Notes will be held under the NSS and will be deposited with the Common Safekeeper for both Euroclear and Clearstream, Luxembourg.

In respect of a Series, the Class B Notes will be represented by beneficial interests in Definitive Notes.

The Series 2021-1 Class B Notes are not offered under this Base Prospectus. For so long as RCI Financial Services Ltd is the sole registered holder of the Series 2021-1 Class B Notes, notwithstanding the terms and conditions of such Series 2021-1 Class B Notes, such Series 2021-1 Class B Notes will be represented by one single Definitive Note in the denomination of £291,667,000.00.

The Registrar will maintain a register in which it will register the nominee for the Common Safekeeper as the owner of each Global Note and the relevant holder as the owner of each Definitive Note.

Upon confirmation by the Common Safekeeper that it has custody of the Global Notes, the relevant Clearing Systems will record in book-entry form interests representing beneficial interests in such Global Notes ("**Book-Entry Interests**").

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment from the Paying Agent to the order of the Common Safekeeper, the respective systems will promptly credit their participants' accounts with payments in amounts proportionate to their respective ownership of Book-Entry Interests as shown in the records of Euroclear or Clearstream, Luxembourg. On each record date, Euroclear and Clearstream, Luxembourg will determine the identity of the Class A Noteholders for the purposes of making payments to the relevant Class A Noteholders. The record date in respect of the cleared Class A Notes shall be one Clearing System Business Day prior to the relevant Payment Date, where "**Clearing System Business Day**" means a day on which each clearing system for which the cleared Notes are being held is open for business.

Holders of Book-Entry Interests in the Global Note will be entitled to receive Class A Notes in definitive registered form (such exchanged notes being Definitive Notes) in the minimum denomination of £100,000 or a higher integral multiple of £1,000 up to and including £199,000, in exchange for their respective holdings of Book-Entry Interests if an Exchange Event occurs.

Any Definitive Notes issued in exchange for Book-Entry Interests in any Global Note will be registered by the Registrar in such name or names as the Issuer shall instruct the Registrar (based on the instructions of the relevant Clearing System(s)). It is expected that such instructions will be based upon directions received by the relevant Clearing Systems from their participants with respect to ownership of the relevant Book-Entry Interests. Holders of Definitive Notes issued in exchange for Book-Entry Interests in any Global Note will not be entitled to exchange such Definitive Notes for Book-Entry Interests in such Global Note. Any Class A Notes issued in definitive form will be issued in registered form only and will be issued in a minimum denomination of £100,000 and a higher integral multiple of £1,000 up to and including £199,000.

So long as the Class A Notes are represented in their entirety by any Global Note held on behalf of any Clearing System, notices to the Class A Noteholders shall be given by delivery of the relevant notice to the relevant Clearing System for communication by them to such Noteholders. Any such notice shall be deemed to have been given to the holders of the Class A Notes on the day on which said notice was given to the relevant Clearing System. So long as the relevant Class A Notes are admitted to trading and listed on the official list of Euronext Dublin, any such notice shall also be published in accordance with the relevant guidelines of Euronext Dublin by a notification in writing to the Company Announcements Office of Euronext Dublin. Notices to the Class B Noteholders shall be given in accordance with the Conditions.

## CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions (the "**Conditions**") which, subject to completion and as supplemented, amended and/or replaced in accordance with the provisions of the relevant Final Terms will apply to the Notes of a Series issued under the Programme.*

*The Conditions will be applicable to any Notes represented by a Note in global form and the Notes in definitive form issued in exchange for the Notes in global form and which will be endorsed on such notes.*

Cars Alliance Master UK Plc (the "**Issuer**") has established an asset-backed note programme (the "**Programme**") for the issuance of asset backed fixed rate notes (the "**Notes**") denominated in GBP. Notes issued under the Programme are issued in series (a "**Series**"). The Notes issued in respect of a Series are constituted and secured by a trust deed dated on or about 7 October 2021 (the "**Initial Issue Date**") (the "**Trust Deed**") between the Issuer and HSBC Corporate Trustee Company (UK) Limited (the "**Note Trustee**", which expression includes the trustee or trustees for the time being of the Trust Deed) as trustee for, *inter alios*, the Noteholders (as defined in Condition 1 (*Form, denomination and title*)).

The Issuer only contemplates the issuance of one Series under the Programme, being Series 2021-1 on the Initial Issue Date. A Series will contain Class A Notes and Class B Notes (as defined in Condition 1 (*Form, denomination and title*)). The Class A Notes will be represented by a global registered note (each, a "**Global Note**"), without interest coupons attached. The Class B Notes will be represented by definitive notes (each a "**Definitive Note**"). Each Note in a Series is the subject of final terms which supplement these terms and conditions in respect of the Notes of that Series (the "**Final Terms**"). The Conditions applicable to any Notes in a Series are these terms and conditions as completed and supplemented, amended and/or replaced by the relevant Final Terms in respect of that Series. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

The Notes issued under the Programme are secured pursuant to and on the terms set out in a deed of charge dated on or about the Initial Issue Date between the Issuer and HSBC Corporate Trustee Company (UK) Limited (in this capacity, the "**Security Trustee**", which expression includes its permitted successors and assigns) (the "**Deed of Charge**") on certain assets of the Issuer including, without limitation, the Issuer's rights, title, interest and benefit, present and future, in, under and to all its assets, including the Issuer's rights, title, interest and benefit, present and future, in, under and to certain of the Transaction Documents (as defined below) which include an agency agreement dated on or about the Initial Issue Date between the Issuer, the Note Trustee, HSBC Bank plc as paying agent (in such capacity, the "**Paying Agent**", which expression includes its permitted successors and assigns) and HSBC Bank plc as registrar (the "**Registrar**", which expression includes its permitted successors and assigns) (the "**Agency Agreement**").

The security created under the Deed of Charge, and all further security created under any document entered into pursuant thereto, are together referred to as the "**Security**".

The Trust Deed, the Deed of Charge (and any document entered into pursuant thereto), the corporate services agreement dated on or about the Initial Issue Date between, *inter alios*, the Issuer, Cars Alliance UK Master Holdings Limited ("**Holdings**") and Intertrust Management Limited as corporate services provider (the "**Corporate Services Provider**", which expression includes its permitted successors and assigns) (the "**Corporate Services Agreement**"), the Agency Agreement, the master receivables transfer agreement dated on or about the Initial Issue Date between, *inter alios*, RCI Financial Services Ltd (the "**Seller**"), the Issuer, and the Security Trustee (the "**Master Receivables Transfer Agreement**"), the servicing agreement dated on or about the Initial Issue Date between the Issuer, RCI Financial Services Ltd (the "**Servicer**") and the Security Trustee (the "**Servicing Agreement**"), the bank account agreement dated on or about the Initial Issue Date between the Issuer, the Security Trustee and Lloyds Bank plc as account bank (the "**Account Bank**", which expressions include its permitted successors and assigns) (the "**Bank Account Agreement**"), the cash management agreement dated on or about the Initial Issue Date between, *inter alios*, the Issuer and Eurotitrisation S.A. as cash manager (the "**Cash Manager**", which expressions include its permitted successors and

assigns) (the "**Cash Management Agreement**"), the seller power of attorney dated on or about the Initial Issue Date given by the Seller (the "**Seller Power of Attorney**"), the floating charge dated on or about the Initial Issue Date granted by the Seller in favour of the Issuer (the "**Vehicle Floating Charge**"), the declaration of trust granted by the Servicer as supplemented by a supplemental collection account declaration of trust on or about the Initial Issue Date, in favour of, among others, the Issuer (the "**Servicer Collection Account Declaration of Trust**"), each declaration of trust granted by the Seller in favour of the Issuer expressed to be governed by Scots law (the "**Scottish Declarations of Trust**"), the agreement dated on or before the Initial Issue Date between the Issuer and Euroclear Bank SA/NV and Clearstream Banking S.A. (the "**Issuer ICSDs Agreement**") and the master definitions agreement dated on or about the Initial Issue Date between, *inter alios*, the Issuer, the Seller, the Note Trustee and the Security Trustee (the "**Master Definitions Agreement**") are, together with the Global Notes, the Definitive Notes and these Conditions, referred to as the "**Transaction Documents**". References to each of the Transaction Documents are to it as from time to time modified in accordance with its provisions and any deed or other document expressed to be supplemental to it, as from time to time so modified.

Statements in these terms and conditions (the "**Conditions**") are subject to the detailed provisions of the Trust Deed, the Deed of Charge, the Agency Agreement and the other Transaction Documents, copies of which are available for inspection (i) at the specified office for the time being of the Paying Agent and (ii) electronically upon request to the Paying Agent. The Noteholders (as defined in Condition 1 (*Form, denomination and title*)) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions contained in the Trust Deed, the Deed of Charge, and those applicable to them in the Agency Agreement and the other Transaction Documents.

References to "Conditions" are, unless the context otherwise requires, to the numbered paragraphs of these Conditions. Words and expressions used in these Conditions without definitions will have the meanings given to them in the Master Definitions Agreement.

The creation of the Programme was authorised by a resolution of the board of directors of the Issuer passed on 27 September 2021.

1. **Form, denomination and title**

- (a) The Notes of any Series are issued in the following form:
  - (i) the Class A Notes are issued in registered global form in the denomination of £100,000 and integral multiples of £1,000 in excess of £100,000, up to and including £199,000.
  - (ii) subject to Condition 1(d) below, the Class B Notes are issued in registered global form in the denomination of £100,000 and integral multiples of £1,000 in excess of £100,000, up to and including £199,000.
- (b) The Class A Notes which are offered and sold outside the United States to non-U.S. persons in reliance on Regulation S will be represented by beneficial interests in the Global Notes.
- (c) The Class B Notes will be represented by beneficial interests in the Definitive Notes.
- (d) For so long as RCI Financial Services Ltd is the sole registered holder of the Series 2021-1 Class B Notes, notwithstanding the terms of these Conditions, such Series 2021-1 Class B Notes will be represented by one single Definitive Note in the denomination of £291,667,000.00.
- (e) The Issuer will cause to be kept at the specified office of the Registrar a register (the "**Register**") on which will be entered the names and addresses of the holders of the Notes and the particulars of such Notes held by them and all transfers, advances, payments (of interest and principal), repayments, redemptions, cancellations and

replacements of such Notes. In these Conditions, "**Class A Notes**" or "**Class B Notes**", means, with respect to any Note, a Global Note or a Definitive Note, as the case may be and "**Class A Noteholder**" or "**Class B Noteholder**" means the Holder of a Class A Note or Class B Note, as applicable.

- (f) Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Note Trustee, the Security Trustee, the Registrar and the Paying Agent (notwithstanding any notice to the contrary and whether or not it is overdue and notwithstanding any notation of ownership or writing on any Note or notice of any previous loss or theft of any Note) may (i) for the purpose of making payment on or on account of any Note deem and treat the person (or, in the case of a joint holding, the first named person) in whose name any Global Note or Definitive Note is registered at that time in the Register (which will be conclusive evidence of such holding in the absence of manifest error, fraud or wilful default) as the absolute owner of such Note and all rights under such Note free from all encumbrances, and will not be required to obtain further proof of such ownership or as to the identity of the registered holder of any Global Note or Definitive Note and (ii) for all other purposes deem and treat the person in whose name any Global Note or Definitive Note is registered at the relevant time in the Register as the absolute owner of and of all rights under such Note free from all encumbrances and will not be required to obtain further proof of such ownership or as to the identity of the registered holder of any Global Note or Definitive Note. Notwithstanding the above, so long as any of the Notes are represented by a Global Note, the terms "**Noteholders**" or "**Holders**" will include the persons then set out in the records of Euroclear and/or Clearstream, Luxembourg, as the holders of a particular principal amount of such Notes in units of £1,000 principal amount of Notes for all purposes other than in respect of the payment of principal and interest on such Notes, the right to which will be vested as against the Issuer solely in the holder of each Global Note in accordance with and subject to its terms.
- (g) A Note is not transferable except in accordance with the restrictions described in these Conditions and in the Trust Deed and the Agency Agreement. Any sale or transfer in violation of the foregoing will be of no force and effect, will be void *ab initio*, and will not operate to transfer any rights to the transferee, notwithstanding any instructions to the contrary given by the Issuer, the Note Trustee or any intermediary. Each transferor of a Note agrees to provide notice of the transfer restrictions set out in these Conditions and in the Trust Deed to the transferee.
- (h) No transfer of Notes will be valid unless entered on the Register and no transfer of Notes will be registered for a period of two Business Days immediately preceding each Payment Date of any of the relevant Notes.
- (i) Class A Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedure for the time being of Clearstream, Luxembourg and Euroclear, as the case may be.
- (j) Series of a Class of Notes:
- (i) On a given Issue Date falling within the Revolving Period, all Notes of a Class issued on that date will constitute one or several Series of such Class of Notes, which shall be identified by means of:
- (1) a four digit number representing the year on which the Series was issued, in the following format: Series "20xx", followed by:
  - (2) the number of such Series in respect of the relevant year, in the following format "y",
  - (3) in the following format: Series 20xx-y.

- (k) General principles relating to a Series and a Class of Notes:
- (i) The Class A Notes of different Series shall not be fungible among themselves and the Class B Notes of different Series shall not be fungible among themselves.
  - (ii) All Notes of the same Class issued within the same Series shall be fungible among themselves in accordance with and subject to the following provisions:
    - (1) the Series 20xx-y Class A or B Notes of the same Series shall all bear the same interest rate in accordance with the provisions of Condition 4 (*Interest*);
    - (2) the interest rate payable under the Series 20xx-y Class A or B Notes of a given Series shall be paid on the same Payment Dates; and
    - (3) The Series 20xx-y Class A or B Notes in respect of a given Series shall have the same Legal Final Maturity Date.

## 2. **Status and Security**

### (a) **Status**

The Notes of any Series constitute secured, limited recourse obligations of the Issuer, ranking, as between each Class, *pro rata* and *pari passu* without any preference among themselves subject as provided in these Conditions.

### (b) **Security**

As security for the Secured Obligations, the Issuer has entered into the Deed of Charge as described above creating the Security as described above in favour of the Security Trustee for itself and on trust for the Secured Creditors.

### (c) **Application of proceeds**

The aggregate gross proceeds from the issue of the Notes will be used to purchase the Transferred Receivables from RCI Financial Services Ltd, against payment of the Initial Purchase Price.

The aggregate gross proceeds from the issuance of any Further Notes during the Revolving Period and will be used to finance the purchase by the Issuer of receivables arising against Obligors under Finance Agreements for the acquisition of vehicles granted to such Obligors by RCI Financial Services Ltd pursuant to the terms and under the conditions of the Master Receivables Transfer Agreement and for the redemption of existing series of Notes as agreed with the holders of the Notes.

### (d) **Revolving Period Priority of Payments**

On each Payment Date during the Revolving Period, the Available Funds in respect of the immediately preceding Collection Period on deposit in the General Collection Account will be applied by the Cash Manager in accordance with the following order of priority together with any amount in respect of VAT (if any) on those amounts as provided for under the Transaction Documents (in each case if and to the extent that payments of a higher priority have been made in full):

- (i) (with the exception of amounts to pay or discharge the Issuer's liability to corporation tax (if any) to be debited from the Issuer Profit Ledger in accordance with the Cash Management Agreement) amounts payable in respect of Taxes (if any) by the Issuer;

- (ii) to pay arrears of the Issuer Expenses due and payable on a previous Payment Date and remaining unpaid on such Payment Date;
- (iii) to pay the Issuer Expenses;
- (iv) to pay to the Servicer arrears of the Servicing Fee due and payable on a previous Payment Date and remaining unpaid on such Payment Date;
- (v) to pay to the Servicer the Servicing Fee;
- (vi) *pari passu* and *pro rata* to pay the Class A Notes Interest Amounts to the Paying Agent, for the account of the Class A Noteholders;
- (vii) to credit the General Reserve Account up to the General Reserve Required Level as at the Calculation Date immediately preceding such Payment Date;
- (viii) (if applicable) to pay the Class A Notes Partial Early Amortisation Amount to the Paying Agent for the account of the Class A Noteholders;
- (ix) amounts payable to the Seller in respect of the Monthly Receivables Purchase Amount;
- (x) towards transfer of the Residual Revolving Basis to the Revolving Account;
- (xi) amounts payable in respect of accrued and unpaid interest on the Class B Notes;
- (xii) (if applicable) to pay the Class B Notes Partial Early Amortisation Amount to the Paying Agent for the account of the Class B Noteholders;
- (xiii) to repay any Subordinated Loan then outstanding to the Subordinated Lender, in an amount equal to the General Reserve Decrease Amount in respect of such Payment Date and amounts payable in respect of accrued and unpaid interest on such Subordinated Loan;
- (xiv) to pay:
  - (a) interest (including accrued interest) due and payable under the Subordinated Loan to the Subordinated Lender and, thereafter;
  - (b) (if applicable) the Subordinated Loan Advance Repayment Amount to the Subordinated Lender in respect of a Partial Early Amortisation;
- (xv) to the extent there are Available Funds remaining, towards payment to the Seller as Deferred Purchase Price.

(e) **Pre-Enforcement Amortisation Period Priority of Payments**

On each Payment Date during the Pre-Enforcement Amortisation Period, the Available Funds in respect of the immediately preceding Collection Period on deposit in the General Collection Account will be applied by the Cash Manager in accordance with the following order of priority together with any amount in respect of VAT (if any) on those amounts as provided for under the Transaction Documents (in each case if and to the extent that payments of a higher priority have been made in full):

- (i) (with the exception of amounts to pay or discharge the Issuer's liability to corporation tax (if any) to be debited from the Issuer Profit Ledger in accordance with the Cash Management Agreement) amounts payable in respect of Taxes (if any) by the Issuer;

- (ii) to pay arrears of the Issuer Expenses due and payable on a previous Payment Date and remaining unpaid on such Payment Date;
- (iii) to pay the Issuer Expenses;
- (iv) to pay to the Servicer arrears of the Servicing Fee due and payable on a previous Payment Date and remaining unpaid on such Payment Date;
- (v) to pay to the Servicer the Servicing Fee;
- (vi) *pari passu* and *pro rata* to pay the Class A Notes Interest Amounts to the Paying Agent, for the account of the Class A Noteholders;
- (vii) to credit the General Reserve Account up to the General Reserve Required Level as at the Calculation Date immediately preceding such Payment Date;
- (viii) to pay the Class A Notes Amortisation Amount to the Paying Agent for the account of the Class A Noteholders;
- (ix) to pay the Class B Notes Interest Amounts to the Paying Agent, for the account of the Class B Noteholder;
- (x) to pay the Class B Note Amortisation Amount to the Paying Agent for the account of the Class B Noteholder;
- (xi) to repay any Subordinated Loan then outstanding to the Subordinated Lender, in an amount equal to the General Reserve Decrease Amount in respect of such Payment Date and amounts payable in respect of accrued and unpaid interest on such Subordinated Loan;
- (xii) to pay:
  - (a) interest (including accrued interest) due and payable under the Subordinated Loan to the Subordinated Lender and, thereafter;
  - (b) the Subordinated Loan Advance Repayment Amount to the Subordinated Lender;
- (xiii) to the extent there are Available Funds remaining, towards payment to the Seller as Deferred Purchase Price.

(f) **Enforcement of the Security**

Following the occurrence of an Issuer Event of Default and the service of a Note Acceleration Notice in accordance with Condition 10 (*Events of Default*) below the Security will become immediately enforceable (except where the Note Acceleration Notice has been served as a result of an Insolvency Event occurring solely due to the Issuer obtaining, or taking steps to obtain, a moratorium under the UK Insolvency Act 2000). The Note Trustee may at its discretion direct the Security Trustee to take action to enforce the Security, and will direct the Security Trustee to take such action to enforce the Security as directed in writing by the holders of at least 25% in Note Principal Amount Outstanding of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes, subject in each case to the Note Trustee and the Security Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction.

The Note Trustee may at any time, at its discretion (and will do so if it has been directed in writing to do so by the holders of at least 25% in Note Principal Amount Outstanding of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the



Most Senior Class of Notes at the relevant date), subject in each case to the Note Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction, and without notice and in such manner as it deems appropriate:

- (i) take such proceedings and/or other steps as it may deem appropriate against or with respect to the Issuer or any other person to enforce its obligations under the Trust Deed, the Transaction Documents or these Conditions and/or take any other proceedings (including lodging an appeal in any proceedings) with respect to or concerning the Issuer; and/or
- (ii) exercise any of its rights under, or in connection with, the Trust Deed or any other Transaction Document; and/or
- (iii) give any directions to the Security Trustee under or in connection with any Transaction Document.

To the extent that the Note Trustee acts in accordance with such directions of the Most Senior Class of Notes, as described above, it will have no obligation to take the interests of any other party into account or to follow any direction given by any other party.

(g) **Post-Enforcement Period Priority of Payments**

Following the delivery of a Note Acceleration Notice by the Note Trustee pursuant to the Trust Deed, the Security Trustee shall apply all moneys (other than (i) amounts representing Excluded Proceeds and (ii) amounts recorded in the Issuer Profit Ledger) received by it under the Transaction Documents in connection with the realization or enforcement of the Security in making the following payments in the following order of priority together with any amount in respect of VAT (if any) on those amounts as provided for under the Transaction Documents (in each case only to the extent that all payments of a higher priority have been made in full):

- (i) (with the exception of amounts to pay or discharge the Issuer's liability to corporation tax (if any) to be debited from the Issuer Profit Ledger in accordance with the Cash Management Agreement) amounts payable in respect of Taxes (if any) by the Issuer;
- (ii) to pay arrears of the Issuer Expenses due and payable on a previous Payment Date and remaining unpaid on such date;
- (iii) to pay the Issuer Expenses;
- (iv) to pay to the Servicer arrears of the Servicing Fee due and payable on a previous Payment Date and remaining unpaid on such date;
- (v) to pay to the Servicer the Servicing Fee;
- (vi) upon and following the occurrence of an Insolvency Event in relation to the Seller and provided that the Seller Performance Criteria are satisfied as at the Test Date immediately prior to any date on which the Security Trustee is to apply such payment, any Administrator Recovery Incentive Fee payable to the Seller;
- (vii) *pari passu* and *pro rata*, amounts payable in respect of accrued and unpaid interest on the Class A Notes (including, without limitation, overdue interest which shall be paid in priority to all other amounts in this item);
- (viii) *pari passu* and *pro rata* to the Class A Noteholder, to repay the Note Principal Amount Outstanding in respect of the Class A Notes;

- (ix) amounts payable in respect of accrued and unpaid interest on the Class B Note (including, without limitation, overdue interest);
- (x) *pari passu* and *pro rata*, to the Class B Noteholder, to repay the Note Principal Amount Outstanding in respect of the Class B Notes;
- (xi) amounts payable in respect of accrued and unpaid interest and principal on the Subordinated Loan (including, without limitation, overdue interest) to the Subordinated Lender; and
- (xii) to the extent there are Available Funds remaining, towards payment to the Seller of the Deferred Purchase Price.

(h) **Shortfall after application of proceeds**

If the net proceeds of the Security being enforced and liquidated in accordance with the Deed of Charge are not sufficient, after payment of all other claims ranking in priority to the Notes, to cover all payments due on the Notes, the obligations of the Issuer under the Notes will be limited to such net proceeds and such net proceeds will be applied in accordance with the Deed of Charge and no other assets of the Issuer will be available for any further payments on the Notes. The right to receive any further payments of any such shortfall remaining after enforcement of the Security and application of the proceeds of the Security in accordance with the Post-Enforcement Period Priority of Payments will be extinguished.

(i) **Relationship between the Class A Notes and the Class B Notes**

- (i) The Notes within each Class will rank *pari passu* and rateably without any preference or priority among themselves as to payments of interest and principal at all times.
- (ii) Payments of principal on the Class A Notes will at all times rank in priority to payments of principal on the Class B Notes in accordance with the applicable Priority of Payments.
- (iii) Payments of interest on the Class A Notes will at all times rank in priority to payments of interest on the Class B Notes in accordance with the applicable Priority of Payments.
- (iv) If the Issuer does not have sufficient Available Funds on the relevant Payment Date to meet interest payments on the Class A Notes or the Class B Notes in full, any shortfall will be borne by:
  - (A) firstly, the Class B Notes; and
  - (B) secondly, to the extent that interest due on the Class B Notes on such Payment Date is less than such shortfall, the Class A Notes,

in each case, *pro rata* and *pari passu* between the Notes of such Class and, if applicable, subject to deferral in accordance with Condition 6 (*Deferral of interest and subordination*).

- (vi) No amount of principal of the Class B Notes will become due and payable until redemption and payment in full of the Class A Notes.
- (vii) The Trust Deed contains provisions requiring the Note Trustee to take into account the interests of the Class A Noteholders and the Class B Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise), but requiring the

Note Trustee, in any such case, to take into account only the interest of, for so long as any Class A Notes remain outstanding, the Class A Noteholders if, in the opinion of the Note Trustee there is a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders.

- (vii) No Class of Noteholders may request or direct the Note Trustee or the Issuer to take any action or pass any effective Extraordinary Resolution or Ordinary Resolution if the effect of the same would, in the sole opinion of the Note Trustee, be materially prejudicial to the interests of any more senior ranking Class of Noteholders, and neither the Note Trustee nor the Issuer will be responsible to such Class of Noteholders for disregarding any such request, direction or resolution.

(j) **Assumption of no material prejudice**

The Note Trustee will be entitled to assume, for the purposes of exercising any right, power, duty or discretion under or with respect to these Conditions, the Trust Deed, the Deed of Charge or any of the other Transaction Documents or for the purposes of paragraphs (v), (vi) or (vii) of Condition 2(i) (*Relationship between the Class A Notes and the Class B Notes*), that to do so will not be materially prejudicial to the interests of the Noteholders or the relevant Class (i) if it has obtained the consent of the Noteholders of the relevant Class or (ii) if the Note Trustee is satisfied that the current ratings of the Notes will not be affected or (iii) with respect to a non-economic or non-financial matter, if the Note Trustee obtains an opinion of counsel to such effect.

3. **Covenants**

- (a) So long as any of the Notes remains outstanding, the Issuer shall:
  - (i) comply with and perform all its obligations under the Transaction Documents and use all reasonable endeavours to procure that each party to any of the Transaction Documents complies with and performs all their respective obligations thereunder;
  - (ii) at all times use all reasonable endeavours to procure that a Servicer is appointed in accordance with the terms of the Servicing Agreement and that a Cash Manager is appointed in accordance with the terms of the Cash Management Agreement; and
  - (iii) at all times ensure that its central management and control is exercised in the United Kingdom.
- (b) So long as any of the Notes remains outstanding, the Issuer will not without the prior consent of the Note Trustee, unless otherwise provided, permitted or contemplated by these Conditions or the Transaction Documents:
  - (i) carry on any business other than performing its functions and duties and discharging its obligations and liabilities set out in the Transaction Documents and with respect to that business will not engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or do anything except:
    - (1) finance, acquire, hold and dispose of the Transferred Receivables;
    - (2) issue, enter into, amend, exchange, repurchase or cancel the Notes;
    - (3) enter into, amend, consent to any variation of, or release any party from any obligation under, any of the Notes, the Transaction Documents and

agreements relating or incidental to the issue and constitution of, and the granting of security for, the Notes;

- (4) own and exercise its rights with respect to the Security and its interests in the Security and perform its obligations with respect to the Security and the Transaction Documents;
  - (5) preserve and/or exercise and/or enforce any of its rights and perform and observe its obligations under the Notes, the Transaction Documents and agreements relating or incidental to the issue and constitution of, and the granting of security for the Notes;
  - (6) use any of its property or assets in the manner provided in or contemplated by the Transaction Documents; and
  - (7) perform any other act incidental to or necessary in connection with the above;
- (ii) have any employees or own any premises;
  - (iii) incur any financial indebtedness with respect to borrowed money or give any guarantee or indemnity in respect of any financial indebtedness or of any other obligation of any person or enter into any hedging or derivative contract except, in each case, under the Notes or pursuant to the Transaction Documents;
  - (iv) create or permit any mortgage, charge, pledge, lien or any encumbrance or other security interest over, any of, its assets or undertaking (other than for the avoidance of doubt, any security created pursuant to the Deed of Charge or as expressly contemplated by the Transaction Documents);
  - (v) permit the validity or effectiveness of or the priority of the Security created by the Deed of Charge or the priority of any security interests created or evidenced thereby to be amended, varied, terminated, postponed or discharged, or permit any person or any party to any of the Transaction Documents to which it is a party whose obligations form part of the Security to be released from such obligations;
  - (vi) transfer, sell, lend, use, invest, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertakings or any interest, estate, right, title or benefit therein;
  - (vii) pay any dividend or make any other distribution to its shareholders or issue any further shares other than payment of dividends in any accounting period which do not exceed the aggregate amount left to the Issuer after Tax (if any) is charged on the Issuer Profit Amount;
  - (viii) commingle its property or assets with the property or assets of any other person;
  - (ix) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any person;
  - (x) have any subsidiaries or subsidiary undertakings (each as defined in the Companies Act 2006) or become part of any group of companies for VAT purposes;
  - (xi) have an "establishment" (as defined in the UK Insolvency Regulation and the UNCITRAL Implementing Regulations) or take any action that will cause its "centre of main interests" (for the purposes of the UK Insolvency Regulation and the UNCITRAL Implementing Regulations) to be located in any jurisdiction other

than the United Kingdom or register as a company in any jurisdiction other than England;

- (xii) issue any shares in the Issuer (other than such shares as are in issue as at the Initial Issue Date);
- (xiii) permit any of the Transaction Documents to which it is a party to become invalid or ineffective or exercise any right to terminate any of the Transaction Documents to which it is a party;
- (xiv) have an interest in any bank account other than the Issuer Accounts and (under the Servicer Collection Account Declaration of Trust) the Servicer Collection Accounts, open any further account for the purposes of depositing any monies it receives in connection with the Transaction Documents, unless such account is secured in favour of the Security Trustee for the benefit of the Secured Creditors;
- (xv) agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party;
- (xvi) permit any person or any party to any of the Transaction Documents to which it is a party to be released from its obligations;
- (xvii) prejudice its eligibility for its corporation tax liability to be calculated in accordance with regulation 14 of the TSC Regulations;
- (xviii) acquire obligations or securities of its officers or shareholders; and
- (xix) amend its articles of association or any of its other constitutional documents.

In giving its consent to the foregoing, the Note Trustee may require the Issuer to amend the Transaction Documents and/or may impose such other conditions as it deems to be in the interests of the Noteholders, in accordance with Condition 12 (*Meetings of Noteholders, amendments, waiver, substitution and exchange*) below.

#### 4. **Interest**

##### (a) **Interest calculation**

Each Note shall bear interest on its Note Principal Amount Outstanding from the Initial Issue Date until the close of the day preceding the day on which such Note has been redeemed in full at the rate *per annum* (expressed as a percentage) equal to the Note Interest Rate (calculated in the manner set out in Condition 4(e) (*Calculations*)), payable in arrear on each Payment Date from (and including) the Initial Issue Date, subject to Condition 6 (*Deferral of interest and subordination*).

Interest due on a Payment Date will accrue on the Note Principal Amount Outstanding of each Note at the beginning of the relevant Interest Period.

Interest will cease to accrue on each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption unless any amount due remains outstanding, in which case interest will continue to accrue on the unpaid amount of principal (as well after as before judgment) until the Relevant Date at a rate equal to the Note Interest Rate. Such interest will be added annually to the overdue sum and will itself bear interest accordingly, at the rates for overnight deposits so determined.

##### (b) **Interest Period**

**"Interest Period"** means, in respect of the first Payment Date, the period commencing on (and including) the Initial Issue Date and ending on (but excluding) the first Payment Date and in respect of any subsequent Payment Date, the period commencing on (and including) the immediately preceding Payment Date and ending on (but excluding) such Payment Date, provided that the last Interest Period shall end on (but exclude) the Legal Final Maturity Date or, if earlier, the date on which all Notes are redeemed in full.

(c) **Note Interest Rate**

The Note Interest Rate for each Interest Period will be specified in the relevant Final Terms (being equal to or below the Maximum Note Interest Rate with respect to the Class A Notes).

(d) **Calculations**

(i) The amount of interest payable on each Note for any Interest Period will be calculated by taking the aggregate of (1) the product of the relevant Note Interest Rate, the Note Principal Amount Outstanding of such Note at the beginning of such Interest Period and the Day Count Fraction (the **"Interest Amount"**) and (2) any Interest Shortfall relating to such Note (as applicable) and rounding the resultant figure to the nearest whole penny (half a penny being rounded upwards), in each case, subject to Condition 6 (*Deferral of interest and subordination*).

(ii) The Class A Notes Interest Amount and the Class B Notes Interest Amount to be paid on the Notes for each Interest Period will be determined by the Cash Manager. All calculations made by the Cash Manager will (in the absence of manifest or proven error) be conclusive for all purposes and binding on the Note Trustee, the Noteholders and all other parties.

(e) **Publication of the Interest Amounts**

With respect to each Payment Date, on the Calculation Date preceding such Payment Date, the Cash Manager shall notify the Issuer, the Corporate Services Provider, the Registrar, the Paying Agent, the Note Trustee and, on behalf of the Issuer, by means of notification in accordance with Condition 15 (*Notices*), the Noteholders, and for so long as any of the Class A Notes are listed on the official list and are admitted to trading on the regulated market of Euronext Dublin through the Paying Agent, of the following:

(i) the amount of principal payable in respect of each Class A Note and each Class B Note pursuant to this Condition 4 (*Interest*) in accordance with the applicable Priority of Payments;

(ii) the Aggregate Note Principal Amount Outstanding of Class A Notes and the Aggregate Note Principal Amount Outstanding of Class B Notes as from such Payment Date;

(iii) in the event of the final payment in respect of the Notes pursuant to Condition 5 (*Redemption*), the fact that such payment is the final payment; and

(iv) in the event of the payment of interest and redemption after the service of a Note Acceleration Notice, the amounts of interest and principal to be paid in accordance with Condition 10 (*Events of Default*) and the Post-Enforcement Period Priority of Payments.

Each determination by or on behalf of the Issuer of any principal payable and the Note Principal Amount Outstanding of a Note will in each case (in the absence of fraud, wilful default or manifest or proven error) be final and binding on all persons.

5. **Redemption**

(a) **Final redemption**

Unless previously redeemed in full as provided below, the Issuer will redeem the Notes at their respective Note Principal Amount Outstanding on the Legal Final Maturity Date.

The Issuer may not redeem the Notes in whole or in part prior to the Legal Final Maturity Date except as provided in Condition 5(b) (*Optional redemption for taxation reasons*), Condition 5(c) (*Mandatory early redemption in part*), Condition 5(d) (*Clean-Up Call*) and Condition 5(e) (*Partial Early Amortisation*) but without prejudice to Condition 10 (*Events of Default*).

(b) **Optional redemption for taxation reasons**

If, following a change of applicable law, regulation or interpretation of such law or regulation after the Initial Issue Date, the Issuer is, on the occasion of any future payment due on the Notes, required to deduct, withhold or account for or on account of, any present or future Taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom or any political sub-division thereof or any Tax Authority thereof or therein or any other Tax Authority outside the United Kingdom, so that:

- (i) the Issuer is unable to make payment of the full amount due on the Notes (as a direct consequence of the above events) or the cost to the Issuer of making payments on the Notes or of complying with its obligations under or in connection with the Notes would be materially increased;
- (ii) the operating or administrative expenses of the Issuer would be materially increased; or
- (iii) the Issuer would be obliged to make any material payment on, with respect to, or calculated by reference to, its income or any sum received or receivable by or on behalf of the Issuer from the Security or any of it,

the Issuer will promptly so inform the Note Trustee and will use its reasonable endeavours (which will not require it to incur any loss, excluding immaterial, incidental expenses) to determine within 20 calendar days of such circumstance occurring whether it would be practicable to arrange the substitution of a company incorporated in another jurisdiction as the principal debtor or to change its tax residence to another jurisdiction (provided that the Issuer will only use such reasonable endeavours to so determine if such a substitution or change could reasonably be expected to avoid such withholding or deduction or account). If the Issuer determines that any of such measures would be practicable, it will have a further period of 60 calendar days to effect such substitution or change of tax residence. If, however, it determines within 20 calendar days of such circumstance occurring that none of such measures would be practicable or if, having determined that any of such measures would be practicable, it is unable so to avoid such withholding or deduction or account within such further period of 60 calendar days, then the Issuer may, at its election, but will not be obliged to, at any time thereafter give not more than 60 nor less than 30 calendar days' (or such shorter period expiring on or before the latest date permitted by relevant law) irrevocable notice to the Note Trustee, the Paying Agent, the Registrar and the Noteholders, in accordance with Condition 15 (*Notices*), of its intention to redeem and of the date fixed for redemption (which must be a Payment Date falling after the expiry of such notice period) and will on such date redeem all but not some only of the Notes at their Note Principal Amount Outstanding together with accrued interest to that date, provided that prior to the publication of any such irrevocable notice of redemption, the Issuer will deliver to the Note Trustee a certificate signed by two directors of the Issuer stating that the Issuer is

entitled to effect such redemption and setting out a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred. The Note Trustee will be entitled to accept such certificate as sufficient evidence of the satisfaction of the circumstances set out above without liability for relying thereon, and such certificate will be conclusive and binding on the Noteholders.

(c) **Mandatory early redemption in part**

- (i) On each Payment Date during the Pre-Enforcement Amortisation Period, and as long as they are not fully redeemed, the Class A Notes will be subject to mandatory redemption in part on each Payment Date *pari passu* and *pro rata* to their respective outstanding amounts then due, being in respect of the Class A Notes, an amount equal to the relevant Class A Notes Amortisation Amount, in accordance with the Pre-Enforcement Amortisation Period Priority of Payments.
- (ii) On each Payment Date during the Pre-Enforcement Amortisation Period, and as long as they are not fully redeemed, the Class B Notes will be subject to mandatory redemption in part on each Payment Date *pari passu* and *pro rata* to their respective outstanding amounts then due, being in respect of the Class B Notes, an amount equal to the relevant Class B Notes Amortisation Amount, in accordance with the Pre-Enforcement Amortisation Period Priority of Payments.

(d) **Clean-Up Call**

- (i) On any Payment Date following the Calculation Date on which the Aggregate Principal Outstanding Balance of the Transferred Receivables is equal to or less than 10% of the Aggregate Principal Outstanding Balance of the Transferred Receivables as at the Initial Cut-Off Date, the Seller will (provided that on the relevant Payment Date no Note Acceleration Notice has been served) have the option under the Master Receivables Transfer Agreement (the "**Clean-Up Call**") to repurchase all Transferred Receivables then outstanding against payment of the Final Repurchase Price, subject to the following requirements (the "**Clean-Up Call Conditions**"):
  - (1) the final repurchase price (the "**Final Repurchase Price**") should be at least equal to the sum of (A) the Aggregate Note Principal Amount Outstanding of all Notes plus (B) accrued interest thereon plus (C) all claims of any creditors of the Issuer ranking prior to the claims of the Class A Noteholders and the Class B Noteholders according to the applicable Priority of Payments that would otherwise remain outstanding after application of any Available Funds (including, for the avoidance of doubt, the balance of the General Reserve Account on that Payment Date) and Available Funds on the date which is two Business Days prior to the Repurchase Date may be subject to contractually agreed netting; and
  - (2) the Seller shall have notified the Issuer and the Note Trustee of its intention to exercise the Clean-Up Call at least 10 calendar days prior to the contemplated settlement date of the Clean-Up Call.
- (ii) Upon payment in full of the amounts specified in Condition 5(d)(i)(1) above to, or for the order of, the Noteholders, no Noteholders shall be entitled to receive any further payments of interest or principal.

(e) **Partial Early Amortisation**



If a Partial Early Amortisation Event occurs during the Revolving Period, then, on the immediately following Payment Date, the Class A Notes and the Class B Notes will be subject to mandatory redemption in a total amount equal to the Partial Early Amortisation Amount, in accordance with the Revolving Period Priority of Payments.

(f) **Cancellation**

Any Notes redeemed in full or, as the case may be, in part by the Issuer will promptly be cancelled in full or, as the case may be, in part in which case they will not be resold or re-issued and the obligations of the Issuer under any such Notes will be discharged.

If the Issuer redeems some of the Class A Notes and/or the Class B Notes such partial redemption will be effected in accordance with the rules and procedures of Clearstream, Luxembourg and/or Euroclear (to be reflected in the records of Clearstream, Luxembourg and Euroclear, as either a pool factor or a reduction in nominal amount, at their discretion).

(g) **Notes Principal Amount Outstanding**

The "**Note Principal Amount Outstanding**" means, with respect to any Payment Date, the principal amount of any Note (rounded, if necessary, to the nearest GBP 0.01 with GBP 0.005 being rounded upwards) equal to the initial principal amount of such Note (as at the Initial Issue Date) as, on or before such Payment Date, reduced by all amounts paid in respect of principal on such Note prior to or on such Payment Date.

6. ***Deferral of interest and subordination***

- (a) To the extent that, on any Payment Date (other than the Legal Final Maturity Date), there are insufficient funds to pay in full amounts of interest due on any Class of Notes (other than all interest on the Most Senior Class of Notes then outstanding), the amount of shortfall in interest (the "**Interest Shortfall**") will not fall due on that Payment Date. Instead the Issuer will, in respect of each affected Class of Notes, create a provision in its accounts for the Interest Shortfall on the relevant Payment Date.
- (b) Such Interest Shortfall will accrue interest in accordance with Condition 4(c) (*Note Interest Rate*) for such time as it remains outstanding. Such Interest Shortfall will be payable (together with such accrued interest) on the earlier of:
- (i) any succeeding Payment Date when such Interest Shortfall and accrued interest thereon shall be paid, but only if and to the extent that, on such Payment Date, there are sufficient funds available to the Issuer, after deducting amounts ranking in priority thereto in accordance with the relevant Priority of Payments; and
  - (ii) the date on which the relevant Class of Notes is redeemed in full.
- (c) Non-payment of interest for any Class of Notes (other than the Most Senior Class of Notes at the relevant time) will not constitute an Event of Default.

7. ***Payments***

(a) **Method of payment**

Except as provided below, payments on the Notes will be made by transfer to a Sterling account maintained by the payee with a bank as specified by the payee and notified to the Paying Agent at least two Business Days prior to the due date for the relevant payment.

(b) **Payments subject to applicable laws, etc.**

All payments are subject in all cases to:

- (i) any applicable fiscal or other laws, regulations and directives; and
- (ii) FATCA,

but without prejudice to the provisions of Condition 8 (*Taxation*). No commission or expenses will be charged to the Noteholders with respect to such payments.

(c) **Payments on Global Notes**

Payments of principal and interest on Class A Notes represented by any Global Note will (subject as provided below) be made in the manner specified above with respect to Definitive Notes and otherwise in the manner specified in the relevant Global Note through Clearstream, Luxembourg and/or Euroclear. A record of each payment made for any Global Note, distinguishing between any payment of principal and any payment of interest, will be entered into the records of Clearstream, Luxembourg and/or Euroclear and such record will be *prima facie* evidence that the payment in question has been made.

(d) **General provisions applicable to payments**

The Holder of a Global Note will be the only person entitled to receive payments on Class A Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the Holder of such Global Note with respect to each amount so paid. Each of the persons shown in the records of Clearstream, Luxembourg or Euroclear as the beneficial Holder of a particular nominal amount of Class A Notes represented by such Global Note must look solely to Clearstream, Luxembourg or Euroclear, as the case may be, for this share of each payment so made by the Issuer, or to the order of, the Holder of such Global Note.

(e) **Appointment of Agents**

The Paying Agent and the Registrar initially appointed by the Issuer are listed at the beginning of these Conditions. The Paying Agent and the Registrar act solely as agents of the Issuer (unless an Issuer Event of Default has occurred or if there is a failure to make payment of any amount in respect of any Note when due or the Note Trustee shall have received any money which it proposes to pay under clause 8 (*Application of Moneys*) of the Trust Deed to the Noteholders, when such agents may be required to act as agents of the Note Trustee) and do not assume any obligation or relationship of agency or trust for or with any Noteholders. The Issuer reserves the right at any time (in accordance with the Agency Agreement) to vary or terminate the appointment of the Paying Agent or the Registrar and to appoint other Paying Agents and Registrars, provided that the Issuer will at all times maintain (i) a Registrar and (ii) a Paying Agent.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 15 (*Notices*).

(f) **Non-business days**

If any date for payment on any Note is not a Business Day, the Holder shall not be entitled to payment until the next day which is a Business Day notwithstanding that the Holder shall not be paid any interest or other sum with respect to such postponed payment. If the next Business Day should fall in the next calendar month, the payment shall be made on the immediately preceding Business Day.

(g) **Limited recourse**

- (i) No amounts will be payable by the Issuer except in accordance with the Priority of Payments and any payment obligations of the Issuer under the Notes may only be satisfied from the amounts received by it under or in connection with the Transaction Documents.
- (ii) If the Security constituted by or pursuant to the Deed of Charge is enforced, and after payment of all other claims (if any) ranking in priority to or *pari passu* with each of the claims of the Secured Creditors under the Deed of Charge, the remaining proceeds of such enforcement are insufficient to pay in full all amounts due to each of the Secured Creditors and all other claims ranking *pari passu* to the claims of each such party, then the claims of each such party against the Issuer will be limited to their respective shares of such remaining proceeds (as determined in accordance with the provisions of the Deed of Charge) and, after payment to each such party of its respective share of such remaining proceeds, the obligations of the Issuer to each such party will be extinguished in full.
- (iii) The provisions of this Condition 7(g) will survive the termination of these Conditions. In the case of discrepancy between this Condition 7(g) and any other provision, the provisions of this Condition 7(g) will prevail.

(h) **Incorrect Payment**

- (i) The Issuer will, from time to time, notify Noteholders in accordance with the terms of Condition 15 (*Notices*) of any over-payment or under-payment of which it has actual notice made on any Payment Date to any party entitled to the same pursuant to the applicable Priority of Payments.
- (ii) Following the giving of such a notice, the Issuer (acting on the instructions of the Servicer) shall instruct the Cash Manager to rectify such overpayment or under-payment by increasing or, as the case may be, decreasing payments to the relevant parties (including the Noteholders of any Class) on each subsequent Payment Date following the date on which it has received such instruction until such over-payment or under-payment has been made in full, to the extent funds are available for such purpose. Any notice or instruction of over-payment or underpayment pursuant to this Condition 7(h) shall contain reasonable details of the amount of the same, the relevant parties and the adjustments to be made to future payments to rectify the same. Neither the Issuer nor the Cash Manager shall have any liability to any person for making any such correction.
- (iii) Without prejudice to Condition 10(a) (*Events of Defaults*), for the avoidance of doubt, any correction carried out pursuant to this Condition 7(h) shall not constitute an Issuer Event of Default and shall not require the consent of the Noteholders or any other party.

(i) **Partial Payment**

If at any time the Paying Agent makes a partial payment in respect of any Note, it will cause a notice indicating the date and amount of such payment to be given to the ICSDs, in respect of Global Notes, and the Registrar and the Note Trustee, in respect of any Definitive Notes and the Registrar will note the same in the Register.

(j) **Payment of Interest**

If interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Business Day), then such unpaid interest shall itself bear interest at the Note Interest Rate applicable from time to time to such

Note until such interest and interest thereon are available for payment and notice thereof has been duly given in accordance with Condition 15 (*Notices*).

8. ***Taxation***

All payments of principal and interest on the Notes will be made without withholding or deduction for, or on account of, any present or future Taxes, duties, assessments or governmental charges of any nature by the Issuer or the Paying Agent unless required by law (or pursuant to FATCA), in which case the Issuer or the Paying Agent will make that payment net of such withheld or deducted amounts and will account to the relevant authorities for the amount required to be withheld or deducted. Neither the Issuer nor the Paying Agent will be obliged to make any additional payments to Noteholders for such withholding or deduction.

Notwithstanding the foregoing, if any taxes referred to in Condition 5(b) (*Optional redemption for taxation reasons*) arise and, subject as provided in such Condition, as a result of such tax the Issuer either (i) does not or would not have sufficient amounts to make payments due on the Notes in full or (ii) would be required to deduct any amounts from its payments on the Notes, then the amounts payable or to be paid, as the case may be, on the Notes will be proportionately reduced by an amount equal to such insufficiency or deduction. No such reduction will constitute an Issuer Event of Default under Condition 10 (*Events of Default*).

9. ***Prescription***

The Notes will become void unless claims for payment of principal or interest are made within 10 years of the Legal Final Maturity Date with respect to such Notes. After the date on which a Note becomes void, no claim may be made with respect to such Note.

10. ***Events of Default***

If any of the following events occur (each an "**Event of Default**") where the Issuer is the "**Relevant Person**" (each an "**Issuer Event of Default**"), the Note Trustee at its absolute discretion may, and, if so directed in writing by the holders of at least 25% in Note Principal Amount Outstanding of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes (subject, in each case, to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction), will give a Note Acceleration Notice to the Issuer, the Security Trustee, the Account Bank, the Cash Manager and the Paying Agent declaring the Notes due and payable and each Note will accordingly become immediately due and payable, without further action or formality, at its Note Principal Amount Outstanding together with accrued interest:

- (a) the Relevant Person fails to make any payment payable by it under any Transaction Document when due in the currency and in the manner specified in the relevant Transaction Document except if such failure is due to technical reasons and such default is remedied by the Relevant Person within two Business Days, or, in the case of the Issuer, if the failure to pay is in respect of interest when due in the currency and in the manner specified herein where such failure to pay interest continues for five days or more;
- (b) if the Relevant Person is the Seller or the Servicer, any representation or warranty made by the Relevant Person pursuant to any Transaction Document or in any notice or other document, certificate or statement delivered by it pursuant hereto or in connection herewith is or proves to have been incorrect or misleading in any material respect when made and it is not remedied within 20 Business Days;
- (c) if the Relevant Person is the Seller or the Servicer, the Relevant Person fails duly to perform or comply with any of its obligations under any of the Transaction Documents to which it is a party (other than those referred to in paragraphs (a) and (b) above) and such failure is not remedied within 20 Business Days;

- (d) an Insolvency Event occurs in respect of the Relevant Person;
- (e) if the Relevant Person is the Seller or the Servicer, at any time it is or becomes unlawful for the Relevant Person to perform or comply with any or all of its obligations under the Notes or the Transaction Documents or any of the obligations of the Relevant Person under the Notes or the Transaction Documents are not or cease to be legal, valid and binding; and
- (f) if the Relevant Person is the Seller or the Servicer, any Authorisation required by the Relevant Person to perform its obligations under the Transaction Documents is revoked or suspended.

For the avoidance of doubt, (i) the occurrence of the events specified under paragraphs (b), (c), (e) or (f) shall not constitute an Issuer Event of Default and (ii) a failure to pay any interest or principal due in respect of any Class of Notes which is not, on the relevant date, the Most Senior Class of Notes shall not constitute an Issuer Event of Default other than on the Legal Final Maturity Date.

Upon any Note Acceleration Notice being given by the Note Trustee in accordance with the terms of this Condition 10 (*Events of Default*), notice to that effect will be given by the Note Trustee to all Noteholders in accordance with Condition 15 (*Notices*).

#### 11. ***Enforcement and non-petition***

- (a) Only the Note Trustee and the Security Trustee may pursue the remedies available under the Trust Deed or the Deed of Charge, as applicable, to enforce the rights of the Secured Creditors. No other Secured Creditor is entitled to proceed against the Issuer. Neither the Note Trustee nor any Secured Creditor may take any action or has any rights against the Issuer to recover any amount still unpaid once the Security is enforced and the net proceeds thereof distributed in accordance with Condition 2 (*Status and Security*), and any such liability will be extinguished. None of the Note Trustee, the Security Trustee nor any Secured Creditor will be entitled, until the expiry of one year and one day after the Legal Final Maturity Date, to petition or take any other step for the winding-up of the Issuer provided that the Security Trustee may prove or lodge a claim in the liquidation of the Issuer initiated by another party and provided further that the Security Trustee may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer.
- (b) The Note Trustee and the Security Trustee, as the case may be, in accordance with this Condition 11 (*Enforcement and non-petition*), will (i) except as otherwise directed by the Most Senior Class of Notes acting by way of an Extraordinary Resolution at the relevant date, or (ii) in relation to the Security Trustee only in relation to amendments and waivers, except as otherwise directed by the Note Trustee, have absolute and uncontrolled discretion as to the exercise and non-exercise of all rights, powers, authorities or discretions conferred upon them by or under the Trust Deed, the Deed of Charge or any Transaction Document to which they are a party or conferred upon them by operation of law.
- (c) The provisions of this Condition 11 will survive the termination of these Conditions. In the case of discrepancy between this Condition 11 and any other provision of these Conditions, the provisions of this Condition 11 will prevail.

#### 12. ***Meetings of Noteholders, amendments, waiver, substitution and exchange***

- (a) **Meetings of Noteholders**
  - (i) The Trust Deed contains provisions for convening separate meetings (held physically or by way of conference call, including by use of a videoconference

platform) of each of the Class A Noteholders and the Class B Noteholders to consider any matter affecting their interests, including the sanctioning by a resolution passed at a meeting convened and held in accordance with the Trust Deed by at least 75% of votes cast (an "**Extraordinary Resolution**") of a modification of these Conditions or the provisions of any of the Transaction Documents.

- (ii) A meeting of Noteholders may be held electronically rather than at a physical location in accordance with the procedures set out in Schedule 3 to the Trust Deed.
- (iii) Subject as provided below, the quorum at any meeting of Noteholders of any Class of Notes for passing an Ordinary Resolution will be one or more persons holding or representing at least 20% of the Note Principal Amount Outstanding of the relevant Class of Notes then outstanding, or, at any adjourned meeting, one or more persons being or representing a Noteholder of the relevant Class, whatever the Note Principal Amount Outstanding of the Notes of such Class held or represented by it or them.
- (iv) Subject as provided below, the quorum at any meeting of Noteholders of any Class of Notes for passing an Extraordinary Resolution will be one or more persons holding or representing at least 50% of the Note Principal Amount Outstanding of the relevant Class of Notes or, at any adjourned meeting, one or more persons being or representing a Noteholder of the relevant Class, whatever the Note Principal Amount Outstanding of the Notes of such Class held or represented by them.
- (v) The quorum at any meeting of Noteholders of any Class for passing an Extraordinary Resolution to:
  - (1) sanction a modification of the date of maturity of Notes;
  - (2) sanction a modification of the date of payment of principal or interest in respect of the Notes, or where applicable, of the method of calculating the date of payment of principal or interest in respect of the Notes;
  - (3) sanction a modification of the amount of principal or the rate of interest payable in respect of the Notes, or where applicable, of the method of calculating the amount payable of any principal or interest in respect of the Notes (including, in relation to any Class of Notes, if any such modification is proposed for any Class of Notes ranking senior to such Class in the Priorities of Payments);
  - (4) alter the currency in which payments under the Notes are to be made;
  - (5) alter the quorum or majority required in relation to this exception;
  - (6) sanction any scheme or proposal for the sale, conversion or cancellation of the Notes;
  - (7) alter any of the provisions contained in this exception; or
  - (8) any change to the definition of Basic Terms Modification,

(each, a "**Basic Terms Modification**") shall be one or more persons holding or representing at least 66⅔% of the Note Principal Amount Outstanding of the relevant Class of Notes or, at any adjourned meeting, one or more persons holding or representing at least 25% of the Note Principal Amount Outstanding of such Class.

(vi) Subject to paragraph (vii) below and except in the case of an Extraordinary Resolution directing the Note Trustee to give a Note Acceleration Notice, as to which the provisions of Condition 10 (*Events of Default*) shall apply:

- (1) (subject as provided in paragraph (3) below) an Extraordinary Resolution passed at any meeting of the Most Senior Class of Notes shall be binding on all other Classes of Notes, irrespective of the effect upon them;
- (2) no Extraordinary Resolution of any Class of Noteholders (other than an Extraordinary Resolution referred to in paragraph (C) of this proviso) shall be effective for any purpose unless either (A) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of any more senior ranking Classes of Noteholders, (B) it is sanctioned by an Extraordinary Resolution of each of the more senior ranking Classes of Noteholders or (C) none of the more senior ranking Classes of Notes remains outstanding; and
- (3) 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 an Extraordinary Resolution of the holders of the other Classes of Notes then outstanding.

(vii) Subject to paragraph (vii) below:

- (1) an Ordinary Resolution passed at any meeting of a particular Class of Notes shall be binding on all Noteholders of such Class or Classes (irrespective of the effect upon them);
- (2) no Ordinary Resolution of any Class of Noteholders shall be effective for any purpose unless either (A) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of any more senior ranking Classes of Noteholders or (B) it is sanctioned by an Ordinary Resolution of each of the more senior ranking Classes of Noteholders or (C) none of the more senior ranking Classes of Notes remains outstanding.

(viii) A resolution which in the opinion of the Note Trustee affects the interests of the holders of the Notes of only one Class, shall be deemed to have been duly passed if passed at a meeting (or by a separate resolution in writing) of the holders of that Class of Notes.

(b) **Amendments and waiver**

- (i) The Note Trustee may, and may direct the Security Trustee to, without the consent or sanction of the Noteholders or the other Secured Creditors at any time and from time to time concur with the Issuer or any other person in making any modification:
  - (1) to these Conditions or any Transaction Document (excluding in relation to a Basic Terms Modification) which in the opinion of the Note Trustee will not be materially prejudicial to the interests of the Most Senior Class of Notes; or
  - (2) to these Conditions or any Transaction Document (including in relation to a Basic Terms Modification) if in the opinion of the Note Trustee such modification is of a formal, minor or technical nature or to correct a manifest error.

- (ii) Notwithstanding the provisions of Condition 12(b)(i), the Note Trustee shall be obliged, and shall direct the Security Trustee, without any consent or sanction of the Noteholders or the other Secured Creditors, but subject to the receipt of written consent from each of the other Secured Creditors party to the Transaction Document being modified, to concur with the Issuer in making any modification and subject to being indemnified and/or secured and/or prefunded to its satisfaction (other than in respect of a Basic Terms Modification) to these Conditions and/or any Transaction Document or enter into any new, supplemental or additional documents for the purposes of (subject to being indemnified and/or secured and/or prefunded to its satisfaction):
- (1) 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 the Issuer certifies in writing to the Note Trustee and the Security 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;
  - (2) for the purpose of complying with any changes in the requirements of (i) Article 6 of the UK Securitisation Regulation or Article 6 of the EU Securitisation Regulation, or Section 15G of the Exchange Act, as added by section 941 of the Dodd-Frank Act, after the Initial Issue Date, including as a result of the adoption of additional regulatory technical standards in relation to the UK Securitisation Regulation or the EU Securitisation Regulation (including the applicable reporting requirements thereunder), (ii) Regulation (EU) 2017/2401 (which amends Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms) and/or the UK CRR, (iii) any other risk retention legislation or regulations or official guidance in relation thereto or in relation to securitisation transactions, provided that the Issuer (or the Servicer on its behalf) certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect or (iv) for the purpose of complying with any changes in the requirements (including, but not limited to, transparency and/or investor due diligence) of and/or enabling the Issuer or the Seller to comply with an obligation in respect of the direct application of the requirements of the UK Securitisation Regulation and/or the indirect application of the EU Securitisation Regulation, together with any relevant laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements, in each case as amended, varied or substituted from time to time after the Initial Issue Date (including the appointment of a third party to assist with the Issuer's reporting obligations in relation thereto), provided that the Issuer (or the Servicer on its behalf) certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
  - (3) for the purpose of enabling the Class A Notes to be (or to remain) listed on Euronext Dublin, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
  - (4) for the purposes of enabling the Issuer or any of the other Transaction Parties to comply with FATCA (or any voluntary agreement entered into with a Tax Authority in relation thereto), provided that the Issuer or the relevant Transaction Party, as applicable, certifies to the Note Trustee



and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

- (5) in order to allow the Issuer to open additional accounts with an additional account bank or to move the Issuer Accounts to be held with an alternative account bank with the Required Ratings, provided that the Issuer has certified to the Note Trustee and the Security Trustee that (i) such action would not have an adverse effect on the then current ratings of the Most Senior Class of Notes, and (ii) if a new bank account agreement is entered into, such agreement will be entered into on substantially the same terms as the Bank Account Agreement provided further that if the Issuer determines that it is not practicable to agree terms substantially similar to those set out in the Bank Account Agreement with such replacement financial institution or institutions and the Issuer certifies in writing to the Note Trustee and the Security 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 Note Trustee and the Security 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);
- (6) for so long as the Class A Notes are intended to be held in a manner which will allow for Bank of England eligibility, for the purpose of maintaining such eligibility, provided that the Issuer (or the Servicer on its behalf) certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect; or
- (7) for the purpose of complying with the UK CRA Regulation or the EU CRA Regulation after the Initial Issue Date, including as a result of the adoption of regulatory technical standards in relation to the UK CRA Regulation or the EU CRA Regulation (as applicable) or regulations or official guidance in relation thereto, provided that the Issuer (or the Servicer on its behalf) provides a written certificate to the Note Trustee and the Security Trustee certifying that such modification is required solely for such purpose and has been drafted solely to such effect,

(any such modification pursuant to Conditions 12(b)(ii)(1) to (7) (inclusive) above being a "**Modification**" and the certificate to be provided by the Issuer or the relevant Transaction Party, as the case may be, pursuant to Conditions 12(b)(ii)(1) to (7) (inclusive) above being a "**Modification Certificate**"), provided that in the case of a Modification pursuant to Conditions 12(b)(ii)(2), (4) and (5) above:

- (A) at least 30 calendar days' prior written notice of any proposed Modification has been given to the Note Trustee and the Security Trustee; and
- (B) the Modification Certificate in relation to such Modification shall be provided to the Note Trustee and the Security Trustee in draft form at the time the Note Trustee and the Security Trustee are notified of the proposed Modification and in final form on the date that such Modification takes effect,

and further provided that in the case of any Modification under this Condition 12(b)(ii) (other than in the case of a Modification pursuant to Conditions 12(b)(ii)(2),(4) and (5) above):

- (C) the Modification Certificate shall be provided to the Note Trustee and Security Trustee in draft form not less than five Business Days prior to the date on which the Modification Noteholder Notice (as defined below) is sent to Noteholders; and
  - (D) the Modification Certificate shall be provided to the Note Trustee and the Security Trustee in final form not less than two Business Days prior to the date on which the Modification takes effect; and
  - (E) a copy of the Modification Noteholder Notice (as defined below) provided to the Noteholders pursuant to Condition 12(b)(iii)(2) shall be appended to the Modification Certificate.
- (iii) In respect of any Modification under Condition 12(b)(ii) (other than in the case of a Modification pursuant to Conditions 12(b)(ii)(2), (4) and (5) above), it shall also be required that:
- (1) either:
    - (A) the Issuer (or the Servicer on its behalf) obtains from each of the Rating Agencies a Rating Agency Confirmation and, if relevant, it has provided a copy of any Rating Agency Confirmation to the Note Trustee and the Security Trustee with the Modification Certificate; or
    - (B) the Issuer certifies in the Modification Certificate that it has given the Rating Agencies at least 10 Business Days' prior written notice of the proposed Modification and none of the Rating Agencies has indicated that such Modification would result in (x) a downgrade, qualification or, 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 such Notes on rating watch negative (or equivalent); and
  - (2) the Issuer has provided written notice of the proposed Modification to the Noteholders of each Class, at least 40 calendar days' prior to the date on which it is proposed that the Modification would take effect, in accordance with Condition 15 (*Notices*) and by publication on Bloomberg on the "Company Filings" screen relating to the Notes (such notice, the "**Modification Noteholder Notice**") confirming the following:
    - (A) the period during which Noteholders of the Most Senior Class of Notes on the date specified to be the Modification Record Date, which shall be five Business Days from the date of the Modification Noteholder Notice (the "**Modification Record Date**"), may object to the proposed Modification (which notice period shall commence at least 40 calendar days prior to the date on which it is proposed that the Modification would take effect and continue for a period not less than 30 calendar days) and the method by which they may object; and
    - (B) the sub-paragraph(s) of Condition 12(b)(ii)(1) to (7) under which the Modification is being proposed; and

- (C) details of (i) other amendments which the Issuer proposes to make (if any) to these Conditions or any other Transaction Document and (ii) any new, supplemental or additional documents into which the Issuer proposes to enter to facilitate the changes envisaged pursuant to Condition 12(b)(ii);
- (3) Noteholders holding or representing at least 10% of the Note Principal Amount Outstanding of the Most Senior Class of Notes outstanding on the Modification Record Date have not contacted the Issuer or the Note Trustee 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 the Note Trustee that such Noteholders do not consent to the Modification.

If Noteholders representing at least 10% of the Note Principal Amount Outstanding of the Most Senior Class of Notes outstanding on the Modification Record Date have notified the Issuer or the Note Trustee 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 holders of the Most Senior Class of Notes outstanding on the Modification Record Date is passed in favour of such Modification in accordance with Schedule 4 (*Provisions for Meetings of the Noteholders*) to the Trust Deed.

Objections made in writing other than through the applicable clearing system must be accompanied by evidence to the Note Trustee's satisfaction of the relevant Noteholder's holding of the Notes on the Modification Record Date.

- (iv) Other than where specifically provided in Condition 12(b)(ii) or any Transaction Document:
  - (1) when implementing any Modification pursuant to Condition 12(b)(ii):
    - (A) (save, in respect of Modifications pursuant to Condition 12(b)(ii) only, to the extent the Note Trustee considers that the proposed Modification would constitute a Basic Terms Modification), the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely and without investigation or liability on any Modification Certificate (or other certificate or evidence provided to it by the Issuer (or the Servicer on its behalf) or the relevant Transaction Party, as the case may be, pursuant to Condition 12(b)(ii)) and shall not be liable to the Noteholders, any other Secured 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) neither the Note Trustee nor the Security Trustee shall be obliged to agree to any Modification which, in its sole opinion would have the effect of (i) exposing it to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing its obligations or duties, or decreasing its rights, powers, authorisations, discretions, indemnification or protections, in the Transaction Documents and/or these Conditions.

- (v) Any Modification shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable to:
  - (1) so long as any of the Notes rated by the Rating Agencies remains outstanding, each Rating Agency; and
  - (2) the Secured Creditors; and
  - (3) the Noteholders in accordance with Condition 15 (*Notices*).
- (vi) The Note Trustee and the Security Trustee may rely on any Modification Certificate without liability and without further enquiry.
- (vii) The Note Trustee may, and may direct the Security Trustee to, without the consent or sanction of the Noteholders or the other Secured Creditors and without prejudice to its rights in respect of any subsequent breach or Event of Default or Potential Event of Default, at any time and from time to time but only if and in so far as in its opinion the interests of the Most Senior Class of Notes shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer or any other person of any of the covenants or provisions contained in these Conditions or any other Transaction Document or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of these Conditions.

(c) **Substitution and exchange**

- (i) Subject to the more detailed provisions of the Trust Deed and subject to such amendment of the Trust Deed, the Deed of Charge and any other Transaction Documents and such other conditions as the Note Trustee may require, including as to satisfaction that the interests of the Noteholders will not be materially prejudiced by the substitution or exchange and as to the transfer of the Security, but without the consent of the Noteholders or any of the Secured Creditors, the Note Trustee may agree to (i) the substitution of any other company or other entity in place of the Issuer as principal debtor under the Trust Deed, the Notes and replacement for it under the Deed of Charge and any other Transaction Documents, provided that the Rating Agencies confirm that such substitution will not adversely affect the then current rating of each Class, or (ii) the exchange of the Notes, in whole but not in part only, for other securities or instruments having substantially the same rights and benefits as the Notes, provided that the then current rating of each Class by the Rating Agencies is attributed to any such new securities or instruments. Such substitution or exchange will be subject to the relevant provisions of the Trust Deed and the other Transaction Documents and to such amendments of the Trust Deed and the other Transaction Documents as the Note Trustee may deem appropriate. Under the Trust Deed, the Issuer is required to use its best efforts to cause the substitution as principal debtor under the Trust Deed, the Notes and replacement for it under the Deed of Charge and any other Transaction Documents by a company or other entity incorporated in some other jurisdiction if the Issuer becomes subject to any form of tax on its income or payments on the Notes. Any such substitution will be binding on the Noteholders.
- (ii) The Note Trustee may, without the consent of the Noteholders or any of the other Secured Creditors, agree to a change in the place of residence of the Issuer for taxation purposes provided (i) the Issuer does all such things as the Note Trustee may require in order that such change is fully effective and complies with such other requirements in the interests of the Noteholders as it may request and (ii) the Issuer provides the Note Trustee with an opinion of counsel satisfactory to the Note Trustee to the effect that the change of

residency of the Issuer will not cause any withholding or deduction to be made on payments on the Notes.

(d) **Further Issues**

- (i) The Issuer may from time to time, without the consent of the Noteholders or any other Secured Creditor, create and issue Further Notes having terms and conditions the same as the Notes of any Class then in issue or the same in all respects, save for the amount and date of the first payment of interest thereon, issue date and purchase price, so that the same shall be consolidated and form a single Class with the outstanding Class of Notes, provided that:
  - (A) each Rating Agency has provided a Rating Confirmation in respect of all the Notes prior to the issuance of such Further Notes;
  - (B) the Issuer has notified the existing Noteholders of its intention to issue Further Notes in accordance with Condition 15 (*Notices*);
  - (C) following the relevant Further Issue Date, the Class A Notes Required Ratio is equal to or below the Class A Notes Required Ratio Limit and the Class B Notes Required Ratio is equal to or above the Class B Notes Required Ratio Limit; and
  - (D) following the relevant Further Issue Date, the Subordinated Loan Advance will be deposited into the General Reserve Account to reflect the increase in the General Reserve Required Level.
- (ii) The Note Trustee shall be obliged, without any consent or sanction of the Noteholders or any other Secured Creditor, to concur with the Issuer in making any modification to the Trust Deed or the Conditions or any other Transaction Documents (other than any Basic Terms Modification, provided that no modification certified by the Issuer as being necessary or advisable to facilitate such issue of Further Notes shall be deemed or considered to constitute a Basic Terms Modification for any purpose) that the Issuer certifies to the Note Trustee as being necessary for the purpose of the issuance of Further Notes and making any consequential amendments, provided that, in relation to any amendment under this Condition 12(d), the Note Trustee receives a Rating Confirmation from each Rating Agency of all the Notes prior to the issuance of such Further Notes and the Issuer pays all fees, costs and expenses of the Note Trustee in relation to such issuance of Further Notes. The Note Trustee may rely on any certificate received from the Issuer pursuant to this Condition 12(d) without liability and without further enquiry.
- (iii) Notwithstanding anything to the contrary in this Condition 12(d) or any Transaction Document:
  - (A) when implementing any modification pursuant to this Condition 12(d), the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or liability, on any certificate or evidence provided to it by the Issuer pursuant to this Condition 12(d) and shall not be liable to the Noteholders, any other Secured 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) neither the Note Trustee or the Security Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee or the Security Trustee, would have the effect of (i) exposing the Note Trustee or the Security 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 protections, of the Note Trustee or the Security Trustee in the Transaction Documents and/or these Conditions.

(iv) Any modification pursuant to this Condition 12(d) shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable to:

(1) each Rating Agency;

(2) the Note Trustee; and

(3) the Noteholders in accordance with Condition 15 (*Notices*).

(e) **Entitlement of the Note Trustee**

Where, in connection with the exercise of its powers, trusts, authorities or discretions (including, without limitation those with respect to any proposed amendment, waiver, authorisation or substitution) in relation to these Conditions or any other Transaction Document, the Note Trustee is required to take into account the interests of the Noteholders as a Class it will have regard to general interests of such Class and, without prejudice to the generality of the foregoing, will not take into account the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Note Trustee will not be entitled to require, nor will any Noteholders be entitled to claim, from the Issuer or any other person any indemnification or payment for any Tax consequence of any exercise for individual Noteholders.

13. ***Indemnification of the Note Trustee and the Security Trustee***

The Trust Deed, the Deed of Charge and certain other of the Transaction Documents contain provisions for the indemnification of the Note Trustee and the Security Trustee and for their relief from responsibility including for the exercise of any rights under the Trust Deed, the Deed of Charge and the other Transaction Documents (including, but without limitation, with respect to the Security), for the validity, sufficiency and enforceability of the Trust Deed and the other Transaction Documents (which the Note Trustee and the Security Trustee, as applicable, has not investigated) and the validity, sufficiency and enforceability of the Deed of Charge and for taking proceedings to enforce payment unless, in each case, indemnified and/or secured and/or prefunded to its satisfaction. The Note Trustee and the Security Trustee and any of their affiliates are entitled to enter into business transactions with the Issuer, any subsidiary or other affiliate of the Issuer or any other party to the Transaction Documents or any obligor with respect to any of the Security or any of their subsidiary, holding or associated companies and to act as Note Trustee or Security Trustee for the holders of any securities issued by any of them without, in any such case, accounting to the Noteholders for any profit resulting therefrom.

The Trust Deed and the Deed of Charge provide that the Note Trustee or the Security Trustee will be obliged to take action on behalf of the Noteholders and the Secured Creditors in certain circumstances, provided always that the Note Trustee and/or the Security Trustee (as the case may be) is indemnified and/or secured and/or prefunded to its satisfaction. Further, neither the Note Trustee nor the Security Trustee will be obliged to act on behalf of the Noteholders or any other Secured Creditors (as applicable) where it would not have the power to do so by virtue of any applicable law or where such action would be illegal in any applicable jurisdiction.

14. ***Replacement of Notes***

If a Note is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and regulations, at the specified office of the Registrar on payment by the claimant of the taxes, fees and costs properly incurred in connection with such replacement and on such terms as to evidence, security and indemnity as the Issuer, the Note Trustee, the Registrar or the

Paying Agent may require and otherwise as the Issuer may require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

15. **Notices**

All notices to the holders of the Class A Notes, and in particular the notifications mentioned in Condition 10 (*Events of Default*), shall be delivered to Euroclear and Clearstream, Luxembourg for communication by it to such Noteholders. Any such notice shall be deemed to have been given to such Noteholders on the date on which such notice was delivered to Euroclear and Clearstream, Luxembourg and (so long as the Class A Notes are admitted to trading and listed on the official list of Euronext Dublin) any notice shall also be published in accordance with the relevant guidelines of Euronext Dublin by a notification in writing to the Company Announcement Office of Euronext Dublin.

Any notice to the holders of the Class A Notes or the Class B Notes will be validly given if transmitted individually to the address set out in the Register for such Noteholder. While any of the Class A Notes are represented by a Global Note, such notice may be given by any Holder of a Class A Note to the Registrar through Clearstream, Luxembourg and/or Euroclear, as the case may be, in such manner as the Registrar and Clearstream, Luxembourg and/or Euroclear, as the case may be, may approve for this purpose.

16. **Governing law and jurisdiction**

- (a) The Notes, and all non-contractual obligations arising out of or in connection with them, are governed by, and will be construed in accordance with, English law.
- (b) The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes (including a dispute relating to the existence, validity or termination of the Notes or any non-contractual obligation arising out of or in connection with the Notes) and any legal action or proceedings arising out of or in connection with such disputes may be brought in such courts. The Issuer irrevocably submits to the exclusive jurisdiction of such courts and waives any objections to proceedings in such courts on the ground of venue or on the ground that they have been brought in an inconvenient forum.

17. **Rights of third parties**

No person will have any right to enforce any term or condition of the Notes by virtue of the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## FORM OF FINAL TERMS

### **UK MIFIR product governance / Professional investors and ECPs only target market**

Solely for the purposes of the manufacturer's product approval process, the target market assessment pursuant to the FCA Handbook Conduct of Business Sourcebook ("**COBS**") in respect of the Notes has led to the conclusion that: (a) the target market for the Notes is only: (i) eligible counterparties, as defined in: (x) COBS; and (y) as at the Initial Issue Date, Directive 2015/65/EU ("**EU MIFID II**"); and (ii) professional clients, as defined in: (x) Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA ("**UK MiFIR**"); and (y) as at the Initial Issue Date, EU MIFID II; and (b) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate, noting the responsibility of the manufacturer under COBS only. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") or, as the case may be, EU MIFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

### **Final Terms**

[Date]

### **CARS ALLIANCE UK MASTER PLC**

*(a public limited company incorporated under the laws of England and Wales with registered number 13384308)*

as Issuer

**for the issuance of the**

### **GBP [\*\*\*] [Class A/Class B] Series [\*\*\*] Notes**

[(to be consolidated and form a single Series with the GBP [\*\*\*] [Class A/Class B] Series [\*\*\*] Notes already outstanding)].

issued pursuant to the GBP 1,600,000,000 Programme for the issuance of Asset Backed Notes

These Final Terms are issued to give details of an issue of Notes by Cars Alliance UK Master Plc, under the GBP 1,600,000,000 Programme for the issuance of Asset Backed Notes (the "**Programme**"). The Base Prospectus dated 5 October 2021 [and any supplement dated [\*\*\*] hereto] and the Final Terms have been published on the website of Euronext Dublin and the Base Prospectus is published on the website of European DataWarehouse.

The Final Terms of the [Class A / Class B] Series [\*\*\*] Notes must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. Capitalised terms not otherwise defined herein shall have the meaning specified in the Conditions of the [Class A / Class B] Notes. All references in these Final Terms to numbered Conditions are to be read as reference to the respective Conditions of the [Class A / Class B] Notes.

1.	Issue Price:	[***] per cent
2.	[Initial] [Further] Issue Date:	[***]
3.	[Class A/Class B] Series Number:	[***]



	Tranche Number:	[***]
4.	[Further][Class A/Class B] Series Initial Note Principal Amount:	GBP [***]
5.	[Note Principal Amount Outstanding of [Class A/Class B] Series [***] Notes (including the Notes subject of these Final Terms):]	GBP [***]
6.	Amount on which interest is to be paid on the first Payment Date:	GBP [***]
7.	Note Interest Rate:	[***] per cent. per annum
8.	First occurring Payment Date with respect to the [Class A/Class B] Series [***] Notes:	[***]
9.	Legal Final Maturity Date:	[***]
10.	Regulated Market where Notes will be traded:	[Euronext Dublin] [N/A]
11.	Earliest date on which the Notes will be admitted to trading:	[***]
12.	Clearing Codes:	
	- ISIN Code	[***] [N/A]
	- Common Code	[***] [N/A]
13.	Net amount of proceeds	[GBP [***] less the total expenses for admission to trading in an amount equal to EUR [***] (as converted into GBP at the contractual exchange rate determined by the Account Bank at the time of payment of such expenses)][Not Applicable]
14.	Ratings	[AAAsf by Fitch and AAA(sf) by S&P] [Not Applicable]
15.	Aggregate Principal Outstanding Balance of the Transferred Receivables on the [Initial Issue Date] [Further Issuer Date]:	[***]
16.	Level of credit enhancement (excluding any support from the amount credited on the General Reserve Account and from excess spread)	[***]

**Cars Alliance UK Master Plc**

[Name & title of signatories]

## OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS

*The description of certain of the Transaction Documents set out below is a summary of certain features of those agreements and is qualified by reference to the detailed provisions of the terms and conditions of those agreements. Prospective Noteholders may inspect a copy of each of the Transaction Documents upon request at the Specified Office of the Paying Agent and on the website of European DataWarehouse (UK portal) at <https://editor.eurowdw.co.uk/home> and by means of European DataWarehouse as securitisation repository.*

For reference to the definitions of capitalised terms appearing in this Base Prospectus, see "GLOSSARY OF TERMS".

### 1. MASTER RECEIVABLES TRANSFER AGREEMENT

On the Initial Issue Date, the Seller, the Issuer and the Security Trustee will enter into the Master Receivables Transfer Agreement under which the Seller will sell and assign the Transferred Receivables to the Issuer during the Revolving Period.

#### **Purchase of Eligible Receivables**

##### ***Initial purchase of Eligible Receivables***

Subject to the terms and conditions of the Master Receivables Transfer Agreement, on the Initial Issue Date the Seller will sell, assign and transfer to the Issuer:

- (a) the Receivables deriving from the Finance Agreements which are described in the Initial Issue Date Receivables Offer IT File (the minimum required contents of which being set out in Schedule 1 (*Template for the Initial Issue Date Receivables Offer IT File and the Additional Receivables Offer IT File*) of the Master Receivables Transfer Agreement) including (i) all the Instalments payable by the relevant Obligor from (but excluding) the Initial Cut-Off Date up to the Maturity Date of such Finance Agreement and (ii) the Seller's Ancillary Rights in respect of such Finance Agreements, in each case, with effect as of the Initial Cut-Off Date; and
- (b) the Vehicle Sale Proceeds Receivable in respect of each Vehicle financed by the Finance Agreements relating to such Receivables.

##### ***Purchase of additional Eligible Receivables***

Subject to the terms and conditions of the Master Receivables Transfer Agreement, on each Offer Date during the Revolving Period, the Seller may offer to sell, assign and transfer to the Issuer:

- (a) additional Receivables deriving from the Finance Agreements described in the Additional Receivables Offer IT File attached to the relevant Additional Receivables Offer, including (i) all the Instalments payable by the relevant Obligor from (but excluding) the relevant Cut-Off Date up to the Maturity Date of such Finance Agreement and (ii) the Seller's Ancillary Rights in respect of such Finance Agreements, in each case, with effect as of the relevant Cut-Off Date; and
- (b) the Vehicle Sale Proceeds Receivable in respect of each Vehicle financed by the Finance Agreements relating to such Receivables,

at the price determined pursuant to the Master Receivables Transfer Agreement by submitting an Additional Receivables Offer to the Issuer (copied to the Note Trustee and the Cash Manager) on an Offer Date.

#### **Absolute assignment**

The sale of Transferred Receivables will be made by way of absolute assignment and, accordingly, the Seller with full title guarantee or, in respect of any Receivable or related Vehicle Sale Proceeds Receivable governed by or otherwise subject to Scots law, with absolute warrandice or, in respect of any Receivable or Vehicle Sale Proceeds Receivable governed by or otherwise subject to Northern Ireland law, as beneficial owner, will assign to the Issuer all of its rights, title, interest and benefit in and to each Receivable and the Ancillary Rights and the related Vehicle Sale Proceeds Receivables pursuant to the Master Receivables Transfer Agreement.

### **Equitable assignment**

The sale and assignment of each Transferred Receivable in accordance with the terms of the Master Receivables Transfer Agreement will take effect in equity only under English law because the Obligors will not be notified of the assignment of the Transferred Receivables unless a Perfection Event occurs.

### **Representations and Warranties of the Seller**

Pursuant to the Master Receivables Transfer Agreement, the Seller will represent and warrant, as of the Initial Issue Date and on each Transfer Date with reference to the facts and circumstances then subsisting, that:

#### **(a) Sale of Transferred Receivables**

- (i) It has the power and authority to sell, transfer and assign the First Transferred Receivables assigned to the Issuer pursuant to the execution by the Seller of the First Receivables Offer and any Additional Transferred Receivables to be sold, transferred and assigned to the Issuer pursuant to the execution by the Seller of an Additional Receivables Offer; and
- (ii) Such actions have been duly authorised by all necessary corporate and other action, do not require any additional Authorisations, approvals or consents or notices to be given to or filing to be made with any person and do not conflict with its memorandum or articles of association.

#### **(b) Information Systems**

The Seller has adequate information systems in place from which the necessary information to be provided to the Issuer and any third person pursuant to the Transaction Documents, including information for the purposes of the Servicing Report and the Obligors' Personal Data File, can be generated and communicated.

#### **(c) Insurance and Maintenance**

The Seller is not itself obliged to provide insurance or maintenance services to any Obligor.

#### **(d) Receivables Representations**

The representations and warranties set out in Schedule 6 (*Receivables Representations*) of the Master Receivables Transfer Agreement are true and correct in all respects in relation to the Receivables to be transferred on the Initial Issue Date or the relevant Transfer Date.

#### **(e) Portfolio Limits Criteria**

The representations and warranties set out in Schedule 9 (*Portfolio Limits Criteria*) of Master Receivables Transfer Agreement are true and correct in all respects.

(f) **Risk retention**

The Seller (as originator) (i) will retain on an ongoing basis a material net economic interest of not less than 5% in the securitisation as required by Article 6(1) of the UK Securitisation Regulation and Article 6(1) of the EU Securitisation Regulation (in the case of the EU Securitisation Regulation, not taking into account any relevant national measures) through the holding of the Class B Notes and the Subordinated Loan in accordance with Article 6(3)(d) of the UK Securitisation Regulation and Article 6(3)(d) of the EU Securitisation Regulation; (ii) will not change the manner in which it retains such net economic interest except to the extent permitted under Article 6 of the UK Securitisation Regulation and Article 6 of the EU Securitisation Regulation; and (iii) will not enter into any credit risk mitigation, short position or any other hedge with respect to such net economic interest, except to the extent permitted under Article 6 of the UK Securitisation Regulation and Article 6 of the EU Securitisation Regulation (or the corresponding law or rules of any applicable jurisdiction).

(g) **Sanctions**

Neither the Seller nor any of its subsidiaries nor, to the knowledge of the Seller, any director, officer, agent, employee or affiliate of the Seller or any of its Subsidiaries is a Sanctions Target.

(h) **Anti-bribery and corruption**

- (i) Neither the Seller nor, to the best of the knowledge of the Seller, any director, officer, agent, employee, affiliate of or person acting on behalf of the Seller or any of its Subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of any applicable similar anti-bribery law, including but not limited to, the United Kingdom Bribery Act 2010 (the "**UK Bribery Act**") and the U.S. Foreign Corrupt Practices Act of 1977 (the "**FCPA**"). Furthermore, the Seller and, to the knowledge of the Seller, its affiliates have conducted their businesses in compliance with the UK Bribery Act, the FCPA and similar laws, rules or regulations and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.
- (ii) Sub-clause (i) above shall not apply to or in favour of any person if and to the extent that it would result in a breach, by or in respect of that person, of any applicable Blocking Regulation.

(i) **Money laundering**

The Seller has instituted and maintains policies and procedures designed to prevent money laundering, bribery and corruption by the Seller and its subsidiaries and by persons associated with the Seller and its subsidiaries.

(j) **Credit-granting Criteria**

It has applied to the Receivables the same sound and well-defined criteria for credit-granting in accordance with Article 9(1) of the UK Securitisation Regulation and Article 9(1) of the EU Securitisation Regulation which it applies to non-securitised receivables and the same clearly established processes for approving and, where relevant, amending, renewing and refinancing the Receivables have been and will be applied and it has effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the borrower's creditworthiness which shall meet the requirements set out in Article 8 of Directive 2008/48/EC, taking appropriate account of factors relevant to verifying the prospect of the borrower meeting its obligations under the relevant Finance Agreement(s) (as such

obligations are interpreted within the meaning of Article 9 of the UK Securitisation Regulation and Article 9 of the EU Securitisation Regulation).

Pursuant to the Master Receivables Transfer Agreement, the Seller will also give the representation and warranties (i) on the date of the Initial Issue Date, in respect of each Receivable which is a First Transferred Receivable and (ii) on the relevant Transfer Date, in respect of each Receivable which is an Additional Transferred Receivable (and, as applicable, in respect of each related Vehicle and Vehicle Sale Proceeds Receivable) detailed in the section entitled "DESCRIPTION OF THE PORTFOLIO".

#### **Scottish Declaration of Trust**

Pursuant to the Master Receivables Transfer Agreement, the Seller will also enter into a Scottish Declaration of Trust in respect of (i) any of the Receivables which are governed by or subject to Scots Law and (ii) the relevant Vehicles relating to the Receivables and the Vehicle Sale Proceeds Receivables.

The benefit of any Receivables which are governed by or subject to Scots Law and the relevant Vehicles relating to the Receivables and the Vehicle Sale Proceeds Receivables will be transferred by the Seller to the Issuer under each Scottish Declaration of Trust, under which the Seller will hold the benefit of such Receivables and Vehicle Sale Proceeds Receivables on trust for the Issuer.

#### **Vehicle Floating Charge**

The Seller will grant the Vehicle Floating Charge in favour of the Issuer in respect of the proceeds of sale of any Vehicle returned to the Seller or repossessed by the Seller and subsequently sold.

#### **Repurchase of Affected Receivables**

Pursuant to the Master Receivables Transfer Agreement, if any party to the Master Receivables Transfer Agreement (including the Seller in its capacity as Servicer under the Transaction Documents) becomes aware that any Receivables Representation was untrue or incorrect (by reference to the facts and circumstances then subsisting at the relevant date on which such Receivable Representation was given) in relation to any Transferred Receivables, the party discovering such breach will give prompt written notice thereof to the others in accordance with the Master Receivables Transfer Agreement. Unless such breach has been cured in all respects, on the next CM Reporting Date after the Collection Period in which such discovery or receipt of notice of breach occurred, the Seller will repurchase such Transferred Receivables (including the related Ancillary Rights and Vehicle Sale Proceeds Receivables) (the "**Affected Receivables**") in accordance with the Master Receivables Transfer Agreement at an amount equal to the aggregate Repurchase Price in respect of such Affected Receivables.

#### **RV Receivables Repurchase Commitment**

Pursuant to the Master Receivables Transfer Agreement, provided that an Insolvency Event has not occurred in respect of the Seller, the Seller will repurchase any Transferred Receivables which have become RV Receivables. If any Transferred Receivable becomes a RV Receivable (as notified to the Cash Manager and the Issuer in the relevant Servicing Report on the Information Date), the Seller shall repurchase such RV Receivable and as a result, the Issuer shall sell such Transferred Receivable (including the related Ancillary Rights and Vehicle Sale Proceeds Receivable) back to the Seller by no later than the second CM Reporting Date falling immediately after the end of the Collection Period during which such Transferred Receivables became an RV Receivable, and the Seller will purchase any such RV Receivable (including the related Ancillary Rights and Vehicle Sale Proceeds Receivable) (the Seller's commitment to repurchase being the "**RV Receivables Repurchase Commitment**"), at an amount equal to

the aggregate RV Receivables Repurchase Price in respect of such RV Receivable (and the Seller shall transfer such amount to the General Collection Account on the CM Reporting Date).

### **Re-transfer Option**

Pursuant to the Master Receivables Transfer Agreement, during the Revolving Period, the Seller will have the right, subject to the conditions specified below, to request the Issuer to re-transfer to the Seller Transferred Receivables on any Payment Date by notifying the Issuer and the Cash Manager at least 10 calendar days prior to the next following Calculation Date of a target amount of Transferred Receivables to be re-transferred by way of a Re-transfer Request.

The Cash Manager shall randomly select Transferred Receivables to be re-transferred, provided that:

- (A) the aggregate amount of the Re-transfer Price of the Transferred Receivables so selected shall not be greater than the target amount of Transferred Receivables to be re-transferred as notified by the Seller; and
- (B) the difference between (i) the target amount of Transferred Receivables to be re-transferred as notified by the Seller and (ii) the aggregate Re-transfer Price of the Transferred Receivables randomly selected by the Cash Manager shall not be greater than GBP 50,000.

The re-transfer of Transferred Receivables shall only occur if the following conditions are met:

- (a) the Portfolio Performance Criteria are satisfied;
- (b) the Portfolio Limits Criteria are satisfied;
- (c) such retransfer does not result in a downgrading of the Class A Notes;
- (d) such retransfer does not result in the occurrence of a Revolving Period Early Termination Event;
- (e) if the then current ratings of the Parent Company's long-term unsecured, unsubordinated and unguaranteed debt obligations are below "BBB-" by S&P or "Baa3" by Moody's, the Issuer and the Cash Manager will have received a solvency certificate regarding the Seller dated not earlier than 7 Business Days before the contemplated Re-transfer Date;
- (f) no Seller Event of Default has occurred and is outstanding; and
- (g) the Issuer has received on the relevant Re-transfer Date, the relevant Re-transfer Amount from the Seller.

### **Re-transfer Option of Transferred Receivables in relation to Electric Vehicles**

Pursuant to the Master Receivables Transfer Agreement, during the Revolving Period or the Pre-Enforcement Amortisation Period, the Seller will have the right, subject to the conditions specified below, to request the Issuer to re-transfer to the Seller all Transferred Receivables in relation to Electric Vehicles on any Payment Date by notifying the Issuer and the Cash Manager by way of a Re-transfer Request to be provided at least 10 calendar days prior to the next following Calculation Date.

The Cash Manager shall select all the Transferred Receivables in relation to Electric Vehicles to be re-transferred, provided that the re-transfer of Transferred Receivables shall only occur if the following conditions are met:

- (a) the Portfolio Performance Criteria are satisfied;

- (b) the Portfolio Limits Criteria are satisfied;
- (c) such retransfer does not result in a downgrading of the Class A Notes;
- (d) such retransfer does not result in the occurrence of a Revolving Period Early Termination Event;
- (e) if the then current ratings of the Parent Company's long-term unsecured, unsubordinated and unguaranteed debt obligations are below "BBB-" by S&P or "Baa3" by Moody's, the Issuer and the Cash Manager will have received a solvency certificate regarding the Seller dated not earlier than 7 Business Days before the contemplated Re-transfer Date
- (f) no Seller Event of Default has occurred and is outstanding; and
- (g) the Issuer has received on the relevant Re-transfer Date, the relevant Re-transfer Amount from the Seller.

#### **Optional re-transfer of Defaulted Receivables**

Pursuant to the Master Receivables Transfer Agreement, the Seller shall have the right, but not the obligation, to request the Issuer by way of a Re-transfer Request to be provided at least 10 calendar days prior to the next following Calculation Date to transfer back to it one or more Transferred Receivables on any Payment Date, provided that such Receivables are Defaulted Receivables. The Issuer shall be free to accept or reject, in whole or in part and in its absolute discretion, the corresponding Re-transfer Request. If the Issuer, in its absolute discretion, agrees to accept, in whole or in part, a Re-transfer Request, the Issuer shall re-transfer the relevant Transferred Receivables to the Seller and the Seller shall pay the relevant Re-transfer Amount to the Issuer.

#### **Clean-Up Call**

On any Payment Date following the Calculation Date on which the Aggregate Principal Outstanding Balance of the Transferred Receivables is equal to or less than 10% of the Aggregate Principal Outstanding Balance of the Transferred Receivables as at the Initial Cut-Off Date, the Seller will (provided that on the relevant Payment Date no Note Acceleration Notice has been served) have the option under the Master Receivables Transfer Agreement (the "**Clean-Up Call**") to repurchase all Transferred Receivables then outstanding against payment of the Final Repurchase Price, subject to the Clean-Up Call Conditions.

#### **Notification of Obligors**

Upon the occurrence of a Perfection Event, the Seller (or the Issuer acting under the power of attorney granted to it in accordance with Schedule 11 (*Form of Proceedings Power of Attorney and Form of Perfection Power of Attorney*) of the Master Receivables Transfer Agreement) shall immediately notify each Obligor of the sale and transfer of the relevant Transferred Receivable to the Issuer by sending a Perfection Notice (substantially in the form attached hereto as Part A of Schedule 10 (*Form of Notification to Obligors and Form of Notification to RV Subcontractors/Car Dealers*) of the Master Receivables Transfer Agreement. In such Perfection Notice, the Seller shall instruct the relevant Obligor to make any future payments in respect of the relevant Transferred Receivable directly to the General Collection Account.

#### **Reporting**

Under the UK Securitisation Regulation, the originator, sponsor and securitisation special purpose entity of a securitisation are required to designate one of them as the "**reporting entity**" to fulfil the reporting requirements in Article 7 of the UK Securitisation Regulation. Pursuant to the Master Receivables Transfer Agreement, the Seller and the Issuer will designate the Seller as the reporting entity for the purposes of the transaction.



Please see the section entitled "*RISK RETENTION AND SECURITISATION REGULATIONS REPORTING*" for information in relation to the reporting to be provided by, or on behalf of, the Seller (in its capacity as reporting entity for the purposes of Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation).

### **Governing law**

The Master Receivables Transfer Agreement, and all non-contractual obligations arising out of or in connection with it, is governed by, and will be construed in accordance with, English law, provided that any term therein particular to Scots law or Northern Irish law will be construed in accordance with Scots law or Northern Irish law, as applicable.

## **2. SERVICING AGREEMENT**

On the Initial Issue Date, pursuant to the Servicing Agreement between the Servicer, the Back-Up Servicer Facilitator, the Seller, the Cash Manager, the Security Trustee and the Issuer, the Servicer will be appointed by the Issuer to manage, service and administer Collections, undertake enforcement proceedings and transfer Collections to the General Collection Account in accordance with the Standard of Care.

### **Duties of the Servicer**

Pursuant to the Servicing Agreement, the Servicer has agreed to undertake the following tasks and duties with respect to the Transferred Receivables in accordance with the terms of the Servicing Agreement and the Underwriting and Collection Procedures:

- (i) identify and administer Instalments and other amounts due and payable by the Obligors under a Transferred Receivable by making use of the direct debit agreement agreed in (or in respect of) the relevant Finance Agreement and shall direct the direct debit bank to pay each such amount directly into the Servicer Collection Account;
- (ii) identify and administer any Transferred Receivables which become RV Receivables and direct each RV Subcontractor to make all payments of Vehicle Sale Proceeds to the Servicer Collection Account;
- (iii) pay or cause to be paid all Collections (other than, so long as the Servicer is the Seller, any Excluded Proceeds) or any other amounts due under a Transferred Receivable into the Servicer Collection Account and transfer or cause to be transferred any amounts in respect of Collections (other than, so long as the Servicer is the Seller, any Excluded Proceeds) in respect of the Transferred Receivables into the General Collection Account on the Business Day following the day on which such funds are available in the Servicer Collection Account;
- (iv) pay or cause to be paid into the Servicer Collection Account any amounts due and payable in respect of Excluded Proceeds and subsequently pay or cause to be paid these amounts into such account as the Seller may direct;
- (vi) (without double counting) identify and administer any amounts due and payable under the RV Receivables Repurchase Option in accordance with clause 7.2 of the Master Receivables Transfer Agreement and pay or cause to be paid these amounts directly into the General Collection Account;
- (vii) prior to the payment of the RV Receivables Repurchase Price, transfer or cause to be transferred to the General Collection Account any amounts (including, without limitation, excess mileage charge or cost of repairs) received by the Servicer in relation to Transferred Receivables which have become RV Receivables
- (viii) subject to clauses 4.3 and 4.4 of the Servicing Agreement, further administer, enforce and recover amounts payable by any Obligor in relation to the Transferred Receivables

(including investigating delinquencies) which have become Delinquent Receivables or Defaulted Receivables;

- (ix) arrange the repossession of, and prompt storage and sale of, Redelivered Vehicles and Repossessed Vehicles;
- (x) terminate any Finance Agreement following the theft of the related Vehicle, pay any insurance proceeds (including from any Debtor Insurance and any Insurance Policy) received in respect of such Vehicle to the General Collection Account on the Business Day following the day on which the funds are available in the Servicer Collection Account, apply such proceeds against the Principal Outstanding Balance of the relevant Finance Agreement and identify, administer and collect any shortfall between the insurance proceeds received and any amounts payable by the Obligor under such Finance Agreement and any other amounts due thereunder after all such proceeds have been received and applied;
- (xi) terminate any Finance Agreement following the related Vehicle becoming a total loss for insurance purposes, pay any insurance proceeds (including from any Debtor Insurance and any Insurance Policy) received in respect of such Vehicle to the General Collection Account on the Business Day following the day on which the funds are available in the Servicer Collection Account, apply such proceeds against the Principal Outstanding Balance of the relevant Finance Agreement and identify, administer and collect any shortfall between the insurance proceeds received and any amounts payable by the Obligor under such Finance Agreement and any other amounts due thereunder after all such proceeds have been received and applied;
- (xii) exercise the Ancillary Rights and other rights in relation to a Finance Agreement (including the right to terminate a Finance Agreement or waive a termination right in accordance with the respective terms and conditions of such Finance Agreement), as well as sue Obligors in any court in England and Wales, Scotland or Northern Ireland or in any other competent jurisdiction in its own name and for the benefit of the Issuer; and
- (xiii) do or cause to be done all acts necessarily incidental to the services outlined in the foregoing provisions of clause 4 of the Servicing Agreement, including to respond to enquiries from Obligors, to identify and collect amounts due and payable under a Transferred Receivable which have not been paid by direct debit and to administer or terminate a Finance Agreement in accordance with the respective terms and conditions of such Finance Agreement (including in the event of the theft or total loss of a Vehicle) or use its rights to waive a termination.

The Servicer shall initiate reasonable enforcement measures regarding each Transferred Receivable as appropriate, including investigating delinquencies and notifying an Obligor of a delinquency if and to the extent that a payment obligation has not been discharged when due. For the purpose of meeting its obligations under clause 4 of the Servicing Agreement the Servicer may sue Obligors in any court in England and Wales, Scotland or Northern Ireland or any other competent jurisdiction in its own name and for the benefit of the Issuer. The Servicer shall inform the Issuer about the enforcement measures taken or to be taken (to the extent that any such measures are material).

The Servicer shall perform its services and obligations pursuant to the Servicing Agreement in accordance with the Standard of Care.

#### **Representations and Warranties of the Servicer**

Pursuant to the Servicing Agreement, the Servicer will represent and warrant, *inter alia*, as of the Initial Issue Date and on each Transfer Date with reference to the facts and circumstances then subsisting that:

(i) **Administration**

- (a) since entering into the Finance Agreements, the Servicer has administered the Finance Agreements in accordance with the Underwriting and Collection Procedures;
- (b) all written information provided by the Servicer or with its consent on its behalf in connection with the Finance Agreements (in particular with respect to historic losses and residual value data), is true and complete in all material aspects;

(ii) **Underwriting and Collection Procedures**

- (a) the Underwriting and Collection Procedures and all written information provided by the Servicer to the Issuer, or given with the Servicer's consent in connection therewith, is true and complete in all material respects;
- (b) except as otherwise permitted under the Servicing Agreement, the Underwriting and Collection Procedures have not been amended or modified in any respect that would cause a Material Adverse Effect on the ability of the Servicer to comply with its obligations under the Servicing Agreement since the date of the Servicing Agreement;

(iii) **Information Systems**

the Servicer has adequate information systems in place from which the necessary information to be provided to the Issuer and any third person pursuant to the Servicing Agreement, including for the purposes of the Servicing Reports, can be generated and communicated;

(iv) **Applicable law**

- (a) the Servicer administers and services the Finance Agreements from which the Transferred Receivables derives in accordance with Applicable Law, including for the avoidance of doubt all applicable requirements arising under the Consumer Credit Act; and
- (b) the business of the Servicer has included the servicing of exposures of a similar nature as the Transferred Receivables for at least five years prior to the Initial Issue Date and the Servicer has well documented policies, procedures and risk-management controls relating to the servicing of the Transferred Receivables.

**Repurchase of Non-Compliant Receivables**

Pursuant to the Servicing Agreement, the Servicer will undertake for the benefit of the Issuer that the Servicer will only amend, prolong, modify or waive the terms of any Transferred Receivable or amend, modify or waive any term or condition of any Finance Agreement in accordance with the Underwriting and Collection Procedures.

Pursuant to the Servicing Agreement, if any party (including the Servicer) becomes aware that the Servicer has made any amendment or modification to the terms of any Transferred Receivable contrary to the provisions of the Servicing Agreement, so that such Transferred Receivable becomes a Non-Compliant Receivable, the party discovering such amendment or modification shall give prompt written notice thereof to the other parties. On the next CM Reporting Date after the Collection Period in which such discovery or receipt of notice of breach occurred, the Servicer shall repurchase such Non-Compliant Receivables (including the related Ancillary Rights and Vehicle Sale Proceeds Receivables) in accordance with the Servicing Agreement at an amount equal to the aggregate Repurchase Price in respect of such Non-Compliant Receivables. Following such repurchase, the Issuer shall pay to the Seller, on the

next Payment Date, any amounts received by the Issuer in respect of such Non-Compliant Receivables after the end of the Collection Period immediately preceding such repurchase.

Costs and expenses arising in connection with such sale, assignment and transfer shall be borne by the Servicer.

### **Reporting**

Pursuant to the Servicing Agreement, on each Information Date, the Servicer shall provide to the Cash Manager a Servicing Report in relation to the Transferred Receivables.

The Cash Manager shall use such Servicing Report to prepare and deliver, on each Calculation Date, the Preliminary Investor Report.

If the information given in the Servicing Report is not sufficient for the Issuer or the Cash Manager in order to perform their respective tasks under the Servicing Agreement or the other Transaction Documents or the Security Trustee requires further information, the Servicer shall give such assistance and provide such supporting documentation as reasonably requested by the relevant party.

The Servicer shall verify the information in the Preliminary Investor Report and confirm its accuracy to the Cash Manager no later than one Business Day prior to the CM Reporting Date.

The Servicer shall, promptly upon receipt of a request from the Cash Manager, supply such further information as the Cash Manager requires in order to finalise each Investor Report.

The Servicer shall promptly notify the Note Trustee, the Issuer, the Cash Manager and the Noteholders of any matter contained in the Preliminary Investor Report which, in the Servicer's reasonable opinion, would be expected to have a Material Adverse Effect on the Issuer's ability to fulfil any of its payment obligations under the Notes.

Following the enforcement of the Security by the Security Trustee, the Security Trustee shall notify the Servicer of the date on which it plans to make any payment in accordance with the Post-Enforcement Period Priority of Payments five Business Days prior to such date. Within three Business Days of such notification the Servicer shall confirm to the Note Trustee in writing whether the Seller satisfies the Seller Performance Criteria.

### **Use of Third Parties**

The Servicer shall be permitted to delegate the Services to a third party provided that any such delegate has any and all licences and authorisations required to perform the services delegated to it including, without limitation, a licence to provide debt administration services under the CCA if such licence is so required. The Servicer shall remain liable for the performance of its obligations under the Servicing Agreement (including, without limitation, the transfer of Collections received by such delegate to the General Collection Account on the Business Day following the day on which the funds are available in the Servicer Collection Account) and will be solely responsible for the fees and expenses of any such third party. The Servicer shall notify the Issuer of such delegation without undue delay in writing.

### **Servicing fees and expenses**

As consideration for the performance of the services pursuant to the Servicing Agreement, the Issuer shall pay to the Servicer a fee payable on each Payment Date (subject to the relevant Priority of Payments).

The Issuer will also reimburse the Servicer on each Payment Date against any expenses reasonably incurred by the Servicer in connection with the services provided under the Servicing Agreement during the preceding Collection Period, provided that the Servicer has notified the Cash Manager on or before the Information Date immediately preceding such Payment Date of

such expenses and has produced appropriate invoices. Such right for reimbursement shall not apply to expenses incurred in relation to anything done by the Servicer in contravention of the Servicing Agreement.

#### **Back-Up Servicer Facilitator**

The Issuer will appoint the Back-Up Servicer Facilitator in accordance with the Servicing Agreement. If the Servicer's appointment is terminated, the Back-Up Servicer Facilitator will use best efforts to identify, on behalf of the Issuer, and assist the Issuer in the appointment of a suitable substitute servicer in accordance with the Servicing Agreement. The Back-Up Servicer Facilitator will be paid such fees (if any) agreed between the Issuer and the Back-Up Servicer Facilitator in accordance with the applicable Priority of Payments.

#### **Termination of appointment of the Servicer**

Pursuant to the Servicing Agreement, if any Servicer Termination Event occurs, the Issuer (prior to the delivery of a Note Acceleration Notice or notice that the Security Trustee has taken any action to enforce the Security) with the written consent of the Security Trustee, or (after the delivery of a Note Acceleration Notice) the Security Trustee itself, will by notice in writing to the Servicer terminate the Servicer's appointment as the Servicer under the Servicing Agreement with effect from the date (not earlier than the date of the notice) specified in the notice. Upon termination of the appointment of the Servicer under the Servicing Agreement, the Issuer will use its best endeavours to appoint a substitute servicer that has experience of servicing HP Agreements and PCP Agreements in the United Kingdom, is duly licensed and has obtained all the necessary Authorisations for such servicing activities. After the occurrence of a Servicer Termination Event, the Back-Up Servicer Facilitator will use best efforts to identify, on behalf of the Issuer, and assist the Issuer in the appointing of a suitable successor servicer in accordance with the Servicing Agreement.

#### **Governing Law**

The Servicing Agreement, and all non-contractual obligations arising out of or in connection with it, is governed by, and will be construed in accordance with, English law.

### **3. CASH MANAGEMENT AGREEMENT**

On or before the Initial Issue Date, the Issuer, the Cash Manager, the Servicer, and the Security Trustee will enter into the Cash Management Agreement pursuant to which Eurotitrisation S.A. will be appointed to act as the Cash Manager in respect of amounts standing from time to time to the credit of the Issuer Accounts and arrange for payments to be made on behalf of the Issuer from such accounts in accordance with the Priority of Payments.

#### **Cash Management Services**

The Cash Manager is required to manage the operation of the Issuer Accounts, and in each case give instructions to the Account Bank to enable it to perform its obligations. The Cash Manager shall additionally perform certain calculations required under the Transaction Documents necessary for the determination and payment of the various cash flows and shall be responsible for applying such payments in accordance with the Priority of Payments and the Transaction Documents.

Pursuant to the Cash Management Agreement, the Cash Manager will provide, *inter alia*, the following cash management services to the Issuer:

- (a) determining such amounts as are expressed to be calculations and determinations made by the Cash Manager in accordance with the Conditions of the Notes and the Transaction Documents; and

- (b) determining the amounts of Available Funds to be applied on each Payment Date and applying or causing to be applied Available Funds in accordance with the applicable Priority of Payments.

### **Issuer Profit Ledger**

The Cash Manager will establish and maintain an Issuer Profit Ledger for the General Collection Account.

The Issuer Profit Amount from which the Issuer will discharge its corporation tax liability (if any) will be payable on each Payment Date in accordance with the applicable Priority of Payments and recorded in the Issuer Profit Ledger.

### **Reporting**

Subject to the Servicer delivering the relevant Servicing Report on the relevant Information Date, the Cash Manager will prepare and, on the Calculation Date, deliver to the Servicer the Preliminary Investor Report.

Once the Servicer has confirmed the information contained in the Preliminary Investor Report in accordance with the Servicing Agreement, the Cash Manager shall prepare and, by no later than midday (London time) on the CM Reporting Date, deliver to the Issuer, the Servicer and the Seller the corresponding Investor Report in respect of the immediately preceding Collection Period except to the extent that disclosure of such financial information would at that time breach any law, regulation or rules of any applicable regulatory body to which the Cash Manager is subject.

In accordance with Article 7(1)(e)(iii) of the UK Securitisation Regulation and Article 7(1)(e)(iii) of the EU Securitisation Regulation, the Investor Report shall contain information in relation to the satisfaction by the Seller of its risk retention obligations under Article 6 of the UK Securitisation Regulation and Article 6 of the EU Securitisation Regulation, including information on which of the modalities provided for in Article 6(3) of the UK Securitisation Regulation and Article 6(3) of the EU Securitisation Regulation has been applied.

### **Verifications and Computations**

#### ***Eligibility Criteria and Portfolio Limits Criteria***

On the Calculation Date immediately preceding any Transfer Date, based on the Servicing Report provided by the Servicer pursuant to the Servicing Agreement on the immediately preceding Information Date and the Additional Receivables Offer IT File provided by the Seller pursuant to the Master Receivables Transfer Agreement on the immediately preceding Offer Date, the Cash Manager shall:

- (i) verify, to the extent that can be determined from the data provided in such Servicing Report and such Additional Receivables Offer IT File, whether the Receivables to be transferred comply with the Obligor Eligibility Criteria and the Receivable Eligibility Criteria;
- (ii) verify whether the purchase of the relevant Receivables by the Issuer on such Transfer Date shall cause the Portfolio Limits Criteria to be breached; and
- (iii) notify the Seller, the Servicer and the Issuer if (x) any such Receivable does not comply with the Obligor Eligibility Criteria and the Receivables Eligibility Criteria and/or (y) the

purchase of any of the relevant Receivables by the Issuer on such Transfer Date shall cause the Portfolio Limits Criteria to be breached.

### **Purchase Price**

On the Calculation Date immediately preceding any Transfer Date, the Cash Manager shall, using the information in the relevant Additional Receivables Offer IT File provided on the immediately preceding Offer Date, verify whether the Initial Purchase Price expressed in the relevant Additional Receivables Offer to be paid in respect of the Receivables to be transferred on such Transfer Date to the Issuer is accurate.

If the Cash Manager determines following any verification that such Initial Purchase Price is inaccurate, the Cash Manager shall promptly inform the Issuer, the Note Trustee and the Seller of such inaccuracy and the correct Initial Purchase Price.

### **Termination of appointment of Cash Manager**

The Issuer may with the prior consent of the Servicer (except where a Servicer Termination Event has occurred, such consent not to be unreasonably withheld) terminate the appointment of the Cash Manager under the Cash Management Agreement upon the occurrence of a Cash Manager Termination Event.

The Issuer (prior to the delivery of a Note Acceleration Notice or notice that the Security Trustee has taken any action to enforce the Security) with the written consent of the Security Trustee, or (after the delivery of a Note Acceleration Notice) the Security Trustee itself will, upon written notice at any time after a Cash Manager Termination Event has occurred, terminate the appointment of the Cash Manager and the Issuer (or the Servicer on its behalf) will appoint a replacement cash manager on terms substantially the same as those contained in the Cash Management Agreement. The Cash Manager may, at any time, terminate its appointment and cease to operate the Issuer Accounts pursuant to the Cash Management Agreement on giving not less than 180 days' prior written notice thereof to each of the other parties thereto without assigning any reason therefore and without being responsible for any costs occasioned by such cessation.

In accordance with the terms of the Cash Management Agreement, the Issuer will pay to the Cash Manager for its services a cash management fee as set out in the Cash Management Agreement.

### **Governing Law**

The Cash Management Agreement, and all non-contractual obligations arising out of or in connection with it, is governed by, and will be construed in accordance with, English law.

## **4. AGENCY AGREEMENT**

On the Initial Issue Date, pursuant to the Agency Agreement, the Issuer will appoint the Paying Agent to act as paying agent with respect to the Notes and to forward payments to be made by the Issuer to the Noteholders. Pursuant to the terms of the Agency Agreement, the Issuer will appoint the Registrar and the Registrar will agree to, among other things, maintain a register in respect of the Notes.

The functions, rights and duties of the Paying Agent are set out in the Conditions. See "*CONDITIONS OF THE NOTES*".

The Agency Agreement, and all non-contractual obligations arising out of or in connection with it, is governed by, and will be construed in accordance with, English law.

5. **CORPORATE SERVICES AGREEMENT**

Pursuant to the Corporate Services Agreement, the Corporate Services Provider will provide the Issuer and Holdings with certain corporate and administrative functions. Such services include, *inter alia*, providing the directors of the Issuer and Holdings, keeping the corporate and statutory records, convening director's meetings, providing registered office facilities and suitable office accommodation, preparing and filing all statutory and annual returns, preparing the financial statements and performing certain other corporate administrative services against payment of a fee, which shall be paid in accordance with the applicable Priority of Payments (the "**Corporate Services**").

The Corporate Services Provider may resign, or its appointment may be terminated by the Issuer and Holdings, upon three months' prior written notice. Additionally, the Issuer and Holdings have the right to terminate the Corporate Services Provider's appointment forthwith at any time by notice in writing upon the occurrence of certain events, including a material breach of the Corporate Services Agreement by the Corporate Services Provider (such breach not remedied within 30 days), various insolvency events in respect of the Corporate Services Provider or the Corporate Services Provider's ceasing or threatening to cease to carry on its business. The Corporate Services Provider may also terminate its own appointment forthwith at any time if the Issuer commits a material breach of any of the terms or conditions of the Corporate Services Agreement or any of the Transaction Documents and fails to remedy the same within 30 days. No such termination shall take effect until a substitute Corporate Services Provider with experience in the provision of services similar to the Corporate Services has been appointed.

The Corporate Services Agreement, and all non-contractual obligations arising out of or in connection with it, is governed by, and will be construed in accordance with, English law.

6. **SUBORDINATED LOAN AGREEMENT**

Pursuant to the Subordinated Loan Agreement, the Subordinated Lender will grant the Subordinated Loan in a total initial nominal amount of GBP 10,417,000.00 to the Issuer in order to fund the General Reserve Account up to the General Reserve Required Level on the Initial Issue Date. Subject to the terms of the Subordinated Loan Agreement, the Subordinated Lender may agree from time to time to grant additional advances up to a total amount of the Subordinated Loan of GBP 16,000,000.00 provided that the Subordinated Lender shall be required to grant additional advances to the extent required to increase the loan amount to the General Reserve Increase Amount.

If the amount standing to the credit of the General Reserve Account is or would be less than the General Reserve Required Level on any Transfer Date (taking into account the Transferred Receivables to be purchased by the Issuer on such Transfer Date), the Issuer (acting on the instructions of the Cash Manager) shall deliver a Utilisation Request to the Subordinated Lender in accordance with the Subordinated Loan Agreement requesting a Subordinated Loan equal to at least the General Reserve Increase Amount, such amount to be paid into the General Reserve Account in accordance with the Cash Management Agreement.

Pursuant to the Subordinated Loan Agreement, the Subordinated Loan will provide an interest amount calculated as a fixed rate equal to 3% from the Initial Issue Date.

The Subordinated Loan Agreement, and all non-contractual obligations arising out of or in connection with it, is governed by, and will be construed in accordance with, English law.

7. **BANK ACCOUNT AGREEMENT**

Pursuant to the Bank Account Agreement, the Account Bank will be appointed by the Issuer and will act as agent of the Issuer to hold the Issuer Accounts for the Issuer. During the life of the Programme, the Account Bank shall maintain at least the Required Ratings.



### **General Collection Account**

The General Collection Account of the Issuer will be maintained with the Account Bank.

The Servicer will be required to pay or cause to be paid all Collections (other than, so long as the Servicer is the Seller, any Excluded Proceeds) or any other amounts due under a Transferred Receivable into the Servicer Collection Account and transfer or cause to be transferred any amounts in respect of Collections (other than, so long as the Servicer is the Seller, any Excluded Proceeds) in respect of the Transferred Receivables into the General Collection Account on the Business Day following the day on which such funds are available in the Servicer Collection Account. The Issuer will use the Collections (other than any Excluded Proceeds) standing to the credit of the General Collection Account together with the other amounts forming the Available Funds and the Cash Manager will apply those amounts on each Payment Date according to the applicable Priority of Payments.

On each Payment Date falling within the Revolving Period, on the first Payment Date falling within the Pre-Enforcement Amortisation Period and on the first Payment Date following the delivery of a Note Acceleration Notice by the Note Trustee, the General Collection Account will be credited with the credit balance of the Revolving Account.

### **General Reserve Account**

The General Reserve Account of the Issuer will be maintained with the Account Bank.

The Cash Manager (failing which the Issuer) shall ensure that any Subordinated Loan payable to the Issuer pursuant to the Subordinated Loan Agreement on the Initial Issue Date and each Transfer Date is paid into the General Reserve Account.

If the amount standing to the credit of the General Reserve Account is or would be less than the General Reserve Required Level on any Transfer Date (taking into account the Transferred Receivables to be purchased by the Issuer on such Transfer Date), the Issuer (acting on the instructions of the Cash Manager) shall deliver a Utilisation Request to the Subordinated Lender in accordance with the Subordinated Loan Agreement requesting a Subordinated Loan equal to at least the General Reserve Increase Amount, such amount to be paid into the General Reserve Account.

### **Revolving Account**

The Revolving Account of the Issuer will be maintained with the Account Bank.

The Revolving Account shall be:

- (a) credited on each Payment Date falling within the Revolving Period with the Residual Revolving Basis in accordance with the applicable Priority of Payments; and
- (b) debited in full for transfer to the General Collection Account (i) on each Payment Date falling within the Revolving Period, (ii) on the first Payment Date falling within the Pre-Enforcement Amortisation Period and (iii) on the first Payment Date following the delivery of a Note Acceleration Notice by the Note Trustee.

### **Account Bank Required Ratings**

If the Account Bank ceases to have all of the following ratings:

- (i) a long-term deposit rating or, if no long-term deposit rating is assigned, a long-term issuer default rating by Fitch of at least "A" or a short-term deposit rating or, if no short-term deposit rating is assigned, a short-term issuer default rating by Fitch of at least "F1" (the "**Fitch Required Ratings**"); and

- (ii) its unsecured, unsubordinated and unguaranteed long-term debt obligations being rated at least "A" by S&P or its unsecured, unsubordinated and unguaranteed short-term debt obligations are rated at least "A-1" (the "**S&P Required Ratings**"),

or such other rating or ratings as may be agreed by the relevant Rating Agency from time to time (or as are consistent with the then published criteria of the relevant Rating Agency) as would maintain the then current ratings of the Notes (together, the "**Required Ratings**") then, within 60 calendar days of the Account Bank ceasing to have the Fitch Required Ratings or within 90 calendar days of the Account Bank ceasing to have the S&P Required Ratings, as applicable, the Issuer (or the Servicer on its behalf) will:

- (1) use all reasonable endeavours to open replacement account(s) with a financial institution: (i) having all of the Required Ratings; (ii) which is a bank as defined in Section 991 of the Income Tax Act 2007 that will pay any interest in the ordinary course of its business; and (iii) which has entered into an agreement with the Cash Manager, the Security Trustee and the Issuer on substantially similar terms to those set out in the Bank Account Agreement, provided that where the Issuer determines that it is not practicable, taking into account the then prevailing market conditions (notwithstanding that the fee payable to the replacement account bank may be higher), to agree terms substantially similar to those set out in the Bank Account Agreement with such replacement account bank, the Issuer shall certify in writing to the Security Trustee, that such terms are reasonable commercial terms taking into account the then prevailing current market conditions, which certificate may be relied upon by the Security Trustee without any liability and without further enquiry and shall be conclusive and binding on all parties and the Secured Creditors; and following the opening of such replacement accounts, promptly close the Issuer Accounts held with the Account Bank; or
- (2) use all reasonable endeavours to obtain a guarantee of the obligations of such Account Bank under the Bank Account Agreement from a financial institution having all of the Required Ratings within 60 calendar days or 90 calendar days, as applicable, following the downgrade action; or
- (3) take such other remedial action as may be acceptable to the Rating Agencies in order to maintain the ratings of the Most Senior Class of Notes.

If the Issuer (or the Servicer on its behalf) should fail to appoint such successor account bank within 60 calendar days or 90 calendar days, as applicable, of the downgrade action, then the existing Account Bank may select a leading bank of international repute satisfying the requirements under clause 12.4 (*Successor Account Bank*) of the Bank Account Agreement to act as account bank and the Issuer shall appoint that bank as the successor Account Bank. The Account Bank shall continue to provide services under the Bank Account Agreement in any case until a successor Account Bank meeting the above conditions is validly appointed by the Issuer.

### **Governing Law**

The Bank Account Agreement, and all non-contractual obligations arising out of or in connection with it, is governed by, and will be construed in accordance with, English law.

## **8. DEED OF CHARGE**

The Notes are secured and will share the Security with the other Secured Obligations of the Issuer as set out in the Deed of Charge. The Security granted by the Issuer includes:

- (a) an assignment by way of first fixed security of all of its present and future right, title, interest and benefit to, in and under the Transferred Receivables and their related Ancillary Rights and the proceeds of any interests;
- (b) a first fixed charge over all the Issuer's right, title, interest and benefit present and future in, to and under the Issuer Accounts (other than amounts recorded in the Issuer Profit

Ledger) and any other accounts with any bank or financial institution in which the Issuer now or in the future has an interest, including (to the extent of its interest) all balances now or in the future standing to the credit of or accrued or accruing on those accounts;

- (c) an assignment by way of security of all the Issuer's right, title, interest and benefit present and future in, to and under the Transaction Documents;
- (d) an assignment by way of security of all the Issuer's right, title, interest and benefit present and future in, to and under the Vehicle Floating Charge (including all claims, awards, decrees and judgments receivable or received by the Issuer pursuant to the Vehicle Floating Charge);
- (e) a charge over all of the Issuer's right, title, interest and benefit, present and future, in, to and under the trust constituted pursuant to the Servicer Collection Account Declaration of Trust; and
- (f) a first floating charge over all the assets and undertaking, present and future, of the Issuer (including any property or assets from time to time or for the time being effectively charged by way of fixed charge or assigned by way of security, and the whole of the Issuer's undertaking, property assets and rights situated in Scotland or otherwise governed by Scottish law).

In addition, as continuing security for the payment or discharge of the Secured Obligations, the Issuer has granted the Scottish Supplemental Charge in favour of the Security Trustee, for itself and on trust for the Secured Creditors relative to the Vehicle Floating Charge, under which the Issuer assigns, by way of security, all of its present and future right, title and interest in the Vehicle Floating Charge.

Notwithstanding the security rights created by or pursuant to the Deed of Charge, but prior to the service of a Note Acceleration Notice, the Cash Manager on behalf of the Issuer shall be entitled, from time to time, to withdraw moneys from the Issuer Accounts for application in accordance with the Cash Management Agreement.

#### **Enforcement of the Security**

Following the occurrence of an Issuer Event of Default and the service of a Note Acceleration Notice in accordance with Condition 10 (*Events of Default*), the Security immediately enforceable (except where the Note Acceleration Notice has been served as a result of an Insolvency Event occurring solely due to the Issuer obtaining, or taking steps to obtain, a moratorium under the UK Insolvency Act 2000). The Note Trustee may at its discretion direct the Security Trustee to take action to enforce the Security, and will direct the Security Trustee to take such action to enforce the Security as directed in writing by the holders of at least 25% in Note Principal Amount Outstanding of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes, subject in each case to the Note Trustee and the Security Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction.

Only the Note Trustee and the Security Trustee may pursue the remedies available under the Trust Deed or the Deed of Charge, as applicable, to enforce the rights of the Secured Creditors. No other Secured Creditor is entitled to proceed against the Issuer.

#### **Waivers, consents and approvals**

The Security Trustee will waive or authorise any breach or proposed breach by the Issuer or any other person of any of the covenants or provisions of any Transaction Document only if so directed by the Instructing Party.

If a request is made to the Security Trustee by the Issuer or any other person to give its consent or approval to any matter, then if any Transaction Document specifies that the Security Trustee is required to give its consent or approval to that matter if certain specified conditions are satisfied the Security Trustee will give its consent or approval to that matter upon being reasonably satisfied that those specified conditions have been satisfied. In any other case, the Security Trustee shall give its consent or approval to that event, matter or thing only if so directed by the Instructing Party.

#### **Post-Enforcement Period Priority of Payments**

Following service of a Note Acceleration Notice on the Issuer, the Security Trustee is required to apply moneys available for distribution to satisfy the amounts owing by the Issuer in the Post-Enforcement Period Priority of Payments.

#### **Shortfall after application of net proceeds of the Security**

The Notes are limited recourse obligations of the Issuer and if the net proceeds of the Security being enforced and liquidated in accordance with the Deed of Charge are not sufficient to pay the Notes after payment of all other claims ranking in priority thereto, no other assets of the Issuer will be available for any further payments on the Notes. If, after the distribution of all the Issuer's assets, there are amounts that are not paid in full, any amounts outstanding will be deemed to be discharged in full and any payment rights are deemed to cease as described in more detail in Condition 11 (*Enforcement and non-petition*).

#### **Security Trustee's retirement and removal**

The Security Trustee may retire at any time on giving not less than three months' prior notice to the Issuer without giving any reason and the Most Senior Class of Notes acting by way of an Extraordinary Resolution and the Issuer may remove the Security Trustee provided that the retirement or removal of any sole security trustee will not become effective until a successor security trustee is appointed. If a sole security trustee gives notice of retirement or is removed by the Most Senior Class of Notes acting by way of an Extraordinary Resolution, the Issuer will use all reasonable efforts to cause that another security trustee be appointed as soon as practicable.

#### **Governing Law**

The Deed of Charge, and all non-contractual obligations arising out of or in connection with it, is governed by, and will be construed in accordance with, English law, provided that any term therein particular to Scots law will be construed in accordance with Scots law.

### **9. SERVICER COLLECTION ACCOUNT DECLARATION OF TRUST**

On or around the Initial Issue Date, under a supplemental collection account declaration of trust supplementing the relevant Servicer Collection Account Declaration of Trust, the Seller will declare a trust in favour of itself, the Issuer and various other parties beneficially entitled to other receivables originated by the Seller over all amounts from time to time standing to the credit of the Servicer Collection Account, whether or not relating to the Transferred Receivables. The interest of the Issuer under such trust shall be from time to time such proportion of the amount standing to the credit of the Servicer Collection Account as the amounts derived from Transferred Receivables comprised in the Portfolio and their Ancillary Rights shall at the relevant time bear to the total amount standing to the credit of the Servicer Collection Account at that time. The interest of the other beneficiaries (other than the Seller) under such trust shall be from time to time such proportion of the amount standing to the credit of the Servicer Collection Account as the amounts derived from receivables comprised in portfolios beneficially owned by such beneficiaries shall at the relevant time bear to the total amount standing to the credit of the Servicer Collection Account at that time. The Seller's interest under such trust shall

be such proportion of the amount standing to the credit of the Servicer Collection Account which is not allocated to any other party.

From time to time, further beneficiaries may accede to the terms of the Servicer Collection Account Declaration of Trust where they have acquired a portfolio of receivables from the Seller and payments in respect of those receivables are expected to be made to the Servicer Collection Account.

The Servicer Collection Account Declaration of Trust, and all non-contractual obligations arising out of or in connection with it, is governed by, and will be construed in accordance with, English law.

#### 10. **TRUST DEED**

The Notes will be constituted pursuant to the Trust Deed to be entered into on the Initial Issue Date between the Issuer and the Note Trustee.

HSBC Corporate Trustee Company (UK) Limited will agree to act as Note Trustee subject to the conditions contained in the Trust Deed.

The Trust Deed contains provisions requiring the Note Trustee to take into account the interests of the Class A Noteholders and the Class B Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise), but requiring the Note Trustee in any such case:

- (a) for so long as any Class A Notes remain outstanding, to take into account only the interests of the Class A Noteholders if, in the opinion of the Note Trustee, there is a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders; and
- (b) following the redemption in full of the Class A Notes, to take into account only the interests of the Class B Noteholders.

No Class of Noteholders may request or direct the Note Trustee or the Issuer to take any action or pass any effective Extraordinary Resolution or Ordinary Resolution if the effect of the same would, in the sole opinion of the Note Trustee, be materially prejudicial to the interests of any more senior ranking Class of Noteholders, and neither the Note Trustee nor the Issuer will be responsible to such Class of Noteholders for disregarding any such request, direction or resolution.

Any Note Trustee for the time being of the Transaction Documents may retire at any time upon giving not less than 60 days' prior written notice in writing to the Issuer without assigning any reason therefor and without being responsible for any Liabilities occasioned by such retirement. In addition, Noteholders of the Most Senior Class of Notes may, acting by Extraordinary Resolution passed at any meeting of the Most Senior Class of Notes, direct the removal of the Note Trustee.

Any Note Trustee for the time being of the Transaction Documents may retire at any time upon giving not less than 60 days' prior written notice in writing to the Issuer without assigning any reason therefor and without being responsible for any Liabilities occasioned by such retirement. In addition, Noteholders of the Most Senior Class of Notes may, acting by Extraordinary Resolution passed at any meeting of the Most Senior Class of Notes, direct the removal of the Note Trustee.

No such retirement or removal of any Note Trustee shall become effective unless there remains a trustee in each of the Transaction Documents to which it is then a party (being a Trust Corporation). If, following the service of a retirement notice by a Note Trustee, the Issuer has not appointed a new trustee within 45 days of the date of such notice; the Note Trustee shall be

entitled to appoint a Trust Corporation as Note Trustee in each of the Transaction Documents to which it was formerly a party.

The Trust Deed will contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and providing for its indemnification in certain circumstances.

The Trust Deed provides that the Note Trustee will be obliged to take action on behalf of the Noteholders and the Secured Creditors in certain circumstances, provided always that the Note Trustee is indemnified and/or secured and/or prefunded to its satisfaction. Further, the Note Trustee will not be obliged to act on behalf of the Noteholders or any other Secured Creditors where it would not have the power to do so by virtue of any applicable law or where such action would be illegal in any applicable jurisdiction

In accordance with the terms of the Trust Deed, the Issuer will pay a fee to the Note Trustee for its services under the Trust Deed at the rate and times agreed (and as amended from time to time) between the Issuer and the Note Trustee together with payment of any liabilities incurred by the Note Trustee in relation to the Note Trustee's performance of its obligations under the Trust Deed.

The Conditions of the Notes, including a summary of the provisions regarding meetings of the Noteholders, are reproduced in full in the section headed "*CONDITIONS OF THE NOTES*".

The Trust Deed, and all non-contractual obligations arising out of or in connection with it, is governed by, and will be construed in accordance with, English law.

## SOME IMPORTANT CONSIDERATIONS

### 1. Basel Capital Accord and regulatory capital requirements

The European authorities have now incorporated the Basel III framework into EU law, primarily through Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directive 2006/48/EC and 2006/49/EC (Capital Requirements Directive – "**CRD**"), as amended by Directive (EU) 2019/878 of 20 May 2019 (the "**CRD V**"), and the CRR, as amended by Regulation (EU) 2019/876 of 20 May 2019 (the "**CRR II**"). The provisions of CRD V and CRR II will apply in stages, the latest of which will apply from 2023. The changes under CRD V and CRR II which recently entered into force may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Notes.

Under the EUWA, the CRR (as it had effect immediately before the end of the transition period under the Withdrawal Act) became part of the domestic law of the United Kingdom by virtue of the EUWA, and was amended to ensure it functioned in a UK context. As elements of CRD V and CRR II did not apply before the end of the transition period, this means that some, but not all, of the amendments made by CRR II became UK law and the UK has also implemented some, but not all, of the CRD V Directive. The Prudential Regulation Authority (the "**PRA**") intends to implement those of the Basel III standards which make it equivalent to the remainder of CRR II on 1 January 2022, but this may change and there is no guarantee the UK would replicate CRR II or the associated Basel III standards exactly. The UK Government has presented a draft Financial Services Bill to UK Parliament (the "**FS Bill**") which will, among other things, establish the framework for the UK implementation of the Basel III standards that remain to be implemented in the UK. The PRA launched a consultation paper in February 2021 setting out their proposed rules to implement such outstanding Basel III standards in the UK.

The Basel Committee on Banking Supervision has finalised a package of reforms to the Basel III framework ("**Basel 3.1**"). The implementation date of the Basel 3.1 standards is 1 January 2023, and most of these revisions are not included in CRR II or CRD V, and have not yet been legislated for in the EU or the UK. The FS Bill will allow the UK authorities to implement Basel 3.1, and the UK authorities have stated that they will work towards a UK implementation timetable consistent with the 1 January 2023 implementation date.

Additionally, Regulation (EU) No 2015/61 of 10 October 2014 (the "**LCR Regulation**") sets out assumed asset inflow and outflow rates to better reflect actual experience in times of stress. On 19 November 2018, Delegated Regulation (EU) 2018/1620 amending the LCR Regulation (the "**Delegated Regulation**") entered into force, pursuant to which, inter alia, (i) the calculation of the expected liquidity outflows and inflows on repurchase agreements, reverse repurchase agreements and collateral swaps shall be aligned with the international liquidity standard developed by Basel Committee on Banking Supervision; (ii) the treatment of certain reserves held with third-country central banks shall be amended and (iii) transactions exposures of securitisations, which qualify as simple, transparent and standardised securitisations in accordance with the Securitisation Regulations, shall qualify as Level 2B high quality liquid assets, if they additionally fulfil the conditions laid down in Article 13 of the LCR Regulation. The Delegated Regulation applied in the EU and the UK as from 30 April 2020 and following IP Completion Time applies in the UK by virtue of the EUWA.

The above changes to the CRD, the LCR Regulation and the Delegated Regulation may have negative implications on the cost of regulatory capital for certain investors and thereby on the overall return from an investment of the Notes and the liquidity of the Notes. Therefore, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes by the CRD V and CRR II in particular and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

There can be no guarantee that the regulatory capital treatment of the Notes for investors will not be affected by any future implementation of and changes to the CRD V, or other regulatory or accounting changes.

## 2. Banking Act and the Bank Recovery and Resolution Directive 2014

The Banking Act 2009 (the "**Banking Act**") includes provision for a special resolution regime pursuant to which specified UK authorities have extended tools to deal with the failure (or likely failure) of certain UK incorporated entities including authorised deposit-taking institutions and investment firms, and powers to take certain resolution actions in respect of third country institutions. In addition, powers may be used in certain circumstances in respect of UK established banking group companies, where such companies are in the same group as a relevant UK or third country institution). The relevant transaction entities for these purposes include the Seller, the Account Bank, the Cash Manager, the Agents, the Note Trustee and the Security Trustee (each a "**relevant entity**").

The tools available under the Banking Act include share and property transfer powers (including powers for partial property transfers), bail-in powers, certain ancillary powers (including powers to modify contractual arrangements in certain circumstances) and special insolvency procedures which may be commenced by the UK authorities. It is possible that the extended tools described above could be used prior to the point at which an application for insolvency proceedings with respect to a relevant entity could be made and, in certain circumstances, the UK authorities may exercise broad pre-resolution powers in respect of relevant entities with a view to removing impediments to the exercise of the stabilisation tools. In general, the Banking Act requires the UK authorities to have regard to specified objectives in exercising the powers provided for by the Act. One of the objectives (which is required to be balanced as appropriate with the other specified objectives) refers to the protection and enhancement of the stability of the financial system of the United Kingdom.

The Banking Act includes provisions related to compensation in respect of instruments and orders made under it. In general, there is considerable uncertainty about the practical scope of the powers afforded to UK authorities under the Banking Act and how the UK authorities may choose to exercise them. If an instrument or order were to be made under the provisions of the Banking Act currently in force in respect of a relevant entity (as described above), such action may (amongst other things) affect the ability of such entities to satisfy their obligations under the Transaction Documents and/or result in the cancellation, modification or conversion of certain unsecured liabilities of such entity under the Transaction Documents or in other modifications to such documents. In particular, modifications may be made pursuant to powers permitting (i) certain trust arrangements to be removed or modified (ii) contractual arrangements between relevant entities and other parties to be removed, modified or created where considered necessary to enable a transferee in the context of a property or share transfer to operate the transferred business effectively and (iii) in connection with the modification of an unsecured liability through use of the bail-in tool, the discharge of a relevant entity from further performance of its obligations under a contract.

In addition, subject to certain conditions, powers may apply to require a relevant instrument or order (and related events) to be disregarded in determining whether certain widely defined "default events" have occurred (which events may include trigger events included in the Transaction Documents in respect of the relevant entity, including termination events and (in the case of the Seller) trigger events in respect of perfection of legal title to the Transferred Receivables). As a result, the making of an instrument or order in respect of a relevant entity as described above may affect the ability of the Issuer to meet its obligations in respect of the Notes. As noted above, the stabilisation tools may be used in respect of certain banking group companies provided certain conditions are met. If the Issuer was regarded to be a banking group company and no exclusion applied, then it would be possible in certain scenarios for the relevant authority to exercise one or more relevant stabilisation tools (including the property transfer powers and/or the bail-in powers) in respect of it, which could result in reduced amounts being available to make payments in respect of the Notes and/or in the modification, cancellation or conversion of any unsecured portion of the liability of the Issuer under the Notes at the relevant time.



In this regard, it should be noted that the UK authorities have provided an exclusion for certain securitisation companies although aspects of the relevant provisions are not entirely clear. This regime has also been amended to ensure that it is compliant with the EU's Bank Recovery and Resolution Directive (2014/59/EU) ("**BRRD**"). Amongst other things, BRRD provides for the introduction of a package of minimum early intervention and resolution related tools and powers for relevant authorities (including a bail-in tool) and for special rules for cross-border groups. BRRD has been implemented in the UK via, among other regulations, the Bank Recovery and Resolution Order 2014 (the "**BRRD Order**"). Directive (2019/879/EU) amending the BRRD ("**BRRD II**") entered into force on 27 June 2019 and became applicable on 28 December 2020. The UK implemented the majority of the BRRD II provisions which became applicable on 28 December 2020 but not those which became applicable on or after 1 January 2021 and it has also imposed a 'sunset' on a number of BRRD II provisions. BRRD II implements (among other reforms) the Financial Stability Board's standards on total loss absorbing capacity. BRRD II may affect the exercise of the special resolution regime powers under the Banking Act and BRRD Order.

There can be no assurance that the UK authorities will not make an instrument or order under the Banking Act in respect of the entities referred to above and/or that Noteholders will not be adversely affected by any such instrument or order if made. As a result of the BRRD providing for the establishment of an EEA-wide framework for the recovery and resolution of credit institutions and investment firms and any relevant national implementing measures, it is possible that an institution with its head office in an EEA state and/or certain group companies could be subject to certain resolution actions in that other state.

Any resolution or action may affect the ability of any relevant entity to satisfy its obligation under the Transaction Documents and there can be no assurance that Noteholders will not be adversely affected as a result.

### **3. Securitisation Regulations – Risk Retention and Due Diligence Requirements**

#### *Risk retention*

Article 6 of the UK Securitisation Regulation provides for a direct obligation on originators to retain a net economic interest. Article 5(1)(c) of the UK Securitisation Regulation requires institutional investors as defined in Article 2(12) of the UK Securitisation Regulation, which term also includes an insurance or reinsurance undertaking as defined in the FSMA and an alternative investment fund manager as defined in the Alternative Investment Fund Managers Regulations 2013, to verify that, if established in the United Kingdom, the originator, sponsor or original lender retains on an ongoing basis a material net economic interest in accordance with Article 6 of the UK Securitisation Regulation and the risk retention is disclosed to the institutional investor in accordance with Article 7(1)(e) of the UK Securitisation Regulation.

Article 6 of the EU Securitisation Regulation provides for a direct obligation on originators to retain a net economic interest. Article 5(1)(c) of the EU Securitisation Regulation requires institutional investors as defined in Article 2(12) of the EU Securitisation Regulation, which term also includes an insurance or reinsurance undertaking as defined in Directive 2009/138/EC and an alternative investment fund manager as defined in the Directive 2011/61/EU, to verify that, if established in the European Union, the originator, sponsor or original lender retains on an ongoing basis a material net economic interest in accordance with Article 6 of the EU Securitisation Regulation and the risk retention is disclosed to the institutional investor in accordance with Article 7(1)(e) of the EU Securitisation Regulation. The Seller as originator is not established in the European Union but has contractually agreed to comply with Article 6 of the EU Securitisation Regulation.

With respect to the commitment of the originator to retain a material net economic interest with respect to the Transaction, following the issuance of Initial Notes and/or Further Notes, the Seller is the "**originator**" for the purposes of Article 2(3) of the EU Securitisation Regulation and the UK Securitisation Regulation. The Seller is legally bound to comply with the provisions of the UK Securitisation Regulation and contractually agrees to comply with the provisions of the EU Securitisation Regulation.

The Seller confirms that it has covenanted with the Issuer and the Note Trustee that the Seller will, for the life of the Transaction, retain a material net economic interest of not less than 5% in the Transaction in accordance with Article 6(3)(d) of the UK Securitisation Regulation and Article 6(3)(d) of the EU Securitisation Regulation and will not enter into any credit risk mitigation, short position or any other credit hedge or sale with respect to such net economic interest, except to the extent permitted under Article 6 of the UK Securitisation Regulation and Article 6 of the EU Securitisation Regulation. As of the Initial Issue Date, such interest will, in accordance with Article 6(3)(d) of the UK Securitisation Regulation and Article 6(3)(d) of the EU Securitisation Regulation, be retained through the holding of the Class B Notes and the Subordinated Loan.

Pursuant to Article 7 of the UK Securitisation Regulation and Article 7 of the EU Securitisation Regulation information about the risk retained, including information on which of the modalities provided for in Article 6(3) of the UK Securitisation Regulation and Article 6(3) of the EU Securitisation Regulation has been applied, in accordance with Article 6 of the UK Securitisation Regulation and Article 6 of the EU Securitisation Regulation, shall be made available in accordance with Article 7 of the UK Securitisation Regulation and Article 7 of the EU Securitisation Regulation.

It should be noted that there is no certainty that references to the retention obligations of the Seller in this Base Prospectus will constitute explicit disclosure (on the part of the Seller) or adequate due diligence (on the part of the Noteholders) for the purposes of Article 5 of the UK Securitisation Regulation or Article 5 of the EU Securitisation Regulation.

#### *Due diligence*

Article 5 of the UK Securitisation Regulation and Article 5 of the EU Securitisation Regulation places an obligation on institutional investors (as defined in the UK Securitisation Regulation and the EU Securitisation Regulation) before investing in a securitisation and thereafter, to analyse, understand and stress test their securitisation positions and monitor on an ongoing basis in a timely manner performance information on the exposures underlying their securitisation positions. After the Initial Issue Date, the Servicer (on behalf of the Issuer) will prepare servicer reports wherein relevant information with regard to the Transferred Receivables will be disclosed publicly together with an overview of the retention of the material net economic interest by the Seller in accordance with Article 7(1)(e) of the UK Securitisation Regulation and Article 7(1)(e) of the EU Securitisation Regulation.

Prospective investors should note that there can be no assurance that the information in this Base Prospectus or to be made available to investors in accordance with Article 7 of the UK Securitisation Regulation or Article 7 of the EU Securitisation Regulation will be adequate for any prospective institutional investors to comply with their due diligence obligations under the UK Securitisation Regulation or the EU Securitisation Regulation. With respect to the UK Securitisation Regulation, the Seller will rely on the standstill direction issued by the FCA under its temporary transitional powers under Part 7 of the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 governing the form of reporting templates, which will be in the form provided by Commission Delegated Regulation (EU) 2020/1224 of 16 October 2019 as such are permitted to be used by the FCA until 31 March 2022, or such later date as specified by the FCA under its temporary transitional powers under Part 7 of the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019.

Where the relevant retention requirements are not complied with in any material respect and there is negligence or omission in the fulfilment of the due diligence obligations on the part of a credit 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 will be imposed on such credit institution, progressively increasing with each subsequent infringement of the due diligence provisions. Noteholders should make themselves aware of the provisions of the CRD IV Package and make their own investigation and analysis as to the impact of the CRD IV Package on any holding of Notes.

Following the issuance of Initial Notes and/or Further Notes, relevant investors, to which the UK Securitisation Regulation or the EU Securitisation Regulation is applicable, are required to independently assess and determine the sufficiency of the information described above for the purposes

of complying with the CRD IV Package, Article 5 of the UK Securitisation Regulation or Article 5 of the UK Securitisation Regulation and none of the Issuer, the Seller nor the Arranger makes any representation that the information described above is sufficient in all circumstances for such purposes.

Noteholders should take their own advice and/or seek guidance from their regulator on compliance with, and the application of, the provisions of the CRD IV Package, Article 6 of the UK Securitisation Regulation and Article 6 of the EU Securitisation Regulation in particular.

#### **4. Volcker Rule**

The Dodd-Frank Act has been implemented in part and continues to be implemented by federal regulatory agencies, including the SEC, the Commodity Futures Trading Commission (the CFTC), the Federal Deposit Insurance Corporation, and the United States Federal Reserve Board. Dodd-Frank Act reforms include heightened consumer protection, revised regulation of over-the-counter derivatives markets, restrictions on proprietary trading and the ownership and sponsorship of private investment funds by banks and their affiliates under the Volcker Rule, imposition of heightened prudential standards, and broader application of leverage and risk-based capital requirements.

The Dodd-Frank Act significantly expands the coverage and scope of regulations that limit affiliate transactions within a banking organisation, including coverage of the credit exposure on derivatives transactions, repurchase and reverse repurchase agreements and securities borrowing and lending transactions. In particular, Section 619 of the Dodd-Frank Act added a new section 13 to the Bank Holding Company Act of 1956, commonly referred to as the "Volcker Rule". The Volcker Rule and its related regulations generally prohibit "banking entities" broadly defined to include U.S. banks, bank holding companies and foreign banking organisations, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading in financial instruments, (ii) acquiring or retaining any "ownership interest" in, or in "sponsoring", a "covered fund" and (iii) entering into certain transactions with such funds subject to certain exemptions and exclusions.

An "ownership interest" is defined widely and may arise through a holder's exposure to the profits and losses of the "covered fund", as well as through certain rights of the holder to participate in the selection or removal of an investment advisor, investment manager, or general partner, trustee, or member of the board of directors of the "covered fund". A "covered fund" is defined widely, and includes any issuer which would be an investment company under the Investment Company Act but is exempt from registration solely in reliance on section 3(c)(1) or 3(c)(7) of the Investment Company Act, subject to certain exemptions found in the Volcker Rule's implementing regulations.

The Issuer is of the view that it is not a "covered fund" within the meaning of the Volcker Rule. If, however, the Issuer were deemed to be a "covered fund" and the Notes were deemed to constitute an "ownership interest" in the Issuer, the Volcker Rule and its related regulatory provisions, will restrict the ability of "banking entities" to hold an "ownership interest" in the Issuer or enter into certain credit related financial transactions with the Issuer.

There is limited interpretive guidance regarding the Volcker Rule, and its implementing regulations. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in the Notes should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each investor must determine for itself whether it is a "banking entity" subject to regulation under the Volcker Rule. None of the Issuer, the Arranger, the Security Trustee or the Note Trustee makes any representation regarding (i) the status of the Issuer under the Volcker Rule or (ii) the ability of any purchaser to acquire or hold the Notes, now or at any time in the future.

Any prospective investor in any notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding the effects of the Volcker Rule in respect of any investment in the Notes and should conduct its own analysis to determine whether the Issuer is a "covered fund" for its purposes.

Regulators in the United States may promulgate further regulatory changes, and no assurance can be given as to the impact of such changes on the Notes.

Prospective investors should make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements 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 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.

## DESCRIPTION OF THE PORTFOLIO

### General

The Transferred Receivables, the ownership of which is transferred and assigned by the Seller to the Issuer on each Transfer Date, consist of:

- (a) the Receivables, being the Sterling-denominated monetary obligations of the Obligors arising from Finance Agreements after the relevant Cut-Off Date; and
- (b) the related Vehicle Sale Proceeds Receivables, being, in relation to any Redelivered Vehicle and any Repossessed Vehicle, the right of the Seller to receive the Vehicle Sale Proceeds arising from the sale of such related Redelivered Vehicle or Repossessed Vehicle to a third party.

The Receivables are governed by English law, Scots Law or Northern Irish Law.

### Finance Agreements

The Receivables arise from Finance Agreements, being HP Agreements and PCP Agreements entered into by the Seller and an Obligor, pursuant to which the Seller has granted fixed term financing to the Obligor for the purpose of financing the purchase of a Vehicle.

### Ancillary Rights

The Issuer also benefits from all Ancillary Rights attached to the Transferred Receivables.

The Ancillary Rights comprise the ancillary rights under a Finance Agreement associated with each Receivable sold by the Seller to the Issuer pursuant to the Master Receivables Transfer Agreement which shall include the following:

- (i) the benefit of any Collateral Security attached, whether by operation of law or on the basis of the relevant Finance Agreement or otherwise, to amounts owing under the relevant Finance Agreement;
- (ii) the right to serve notice to pay or repay, to recover and/or to grant a discharge in respect of the whole or part of the amounts due or to become due in connection with the relevant Finance Agreement(s) from the relevant Obligor(s) (or from any other person that has granted any Collateral Security in connection with such Receivable);
- (iii) the benefit of any and all representations, warranties and undertakings given or assumed by the Obligor(s) party to the relevant Finance Agreement (or by any other person that has granted any Collateral Security in connection with such Finance Agreement) pursuant to the relevant Finance Agreement;
- (iv) the benefit of any and all actions against the Obligor(s) party to the relevant Finance Agreement (or against any other person that has granted any Collateral Security in connection with such Finance Agreement) pursuant to the relevant Finance Agreement, including any right to Enforcement Proceeds;
- (v) all of the rights and credits accruing to the Seller pursuant to any Insurance Policy in relation to such Receivable; and
- (vi) all rights accruing to the Seller pursuant to any Debtor Insurance of the Obligor in respect of the Vehicle financed by such Finance Agreement or any Insurance Policy related to such Finance Agreement.

### **Title to Vehicles**

Title to the Vehicles financed by Finance Agreements included in the Portfolio will remain with the Seller until it is transferred to the relevant Obligor under the terms of the relevant Finance Agreement or is sold by the Seller following repossession of the Vehicle from the relevant Obligor.

### **Purchase Price**

#### ***Initial Purchase Price***

On the Initial Issue Date and on any Transfer Date (other than the Initial Issue Date), the Issuer will pay the relevant Initial Purchase Price to the Seller in accordance with the Master Receivables Transfer Agreement.

#### ***Deferred Purchase Price***

The Issuer will pay the Deferred Purchase Price to the Seller in accordance with the Master Receivables Transfer Agreement and the relevant Priority of Payments.

On a given Transfer Date, the total Purchase Price to be paid by the Issuer to the Seller for the sale and transfer of the Eligible Receivables is equal to the aggregate of (i) the Initial Purchase Price which is due and payable on such Transfer Date and (ii) the Deferred Purchase Price which will be paid by the Issuer to the Seller after such Transfer Date and in accordance with the Master Receivables Transfer agreement and the applicable Priority of Payments.

### **Portfolio Limits Criteria**

It is a condition to the transfer of the First Transferred Receivables and any Additional Transferred Receivables that the Portfolio Limits Criteria will be satisfied immediately following the purchase of such Receivables.

Pursuant to the Master Receivables Transfer Agreement, the Seller represents and warrants to the Issuer that on the Cut-Off Date immediately preceding the Initial Issue Date or the relevant Transfer Date, the Portfolio (including any Additional Transferred Receivables to be transferred on the relevant Transfer Date, as the case may be (each being, for the purposes of this Schedule, a "**Relevant Date**")) satisfies on the Relevant Date the following limits (the "**Portfolio Limits Criteria**") in relation to the Portfolio:

- (a) the Weighted Average Seasoning exceeds 8 months on such Relevant Date;
- (b) the Used Vehicle Financing Ratio is less than 40 per cent. on such Relevant Date;
- (c) the Corporate Financing Ratio is less than 10 per cent. on such Relevant Date;
- (d) the maximum Single Obligor Concentration is less than 0.05 per cent. on such Relevant Date;
- (e) the maximum of the sum of the Final Instalments of all PCP Agreements payable in any Collection Period is equal or less than 5 per cent. of the Principal Outstanding Balance of all the Performing Receivables;
- (f) the sum of the Final Instalments of all PCP Agreements is equal to or less than 60 per cent. of the Principal Outstanding Balance of all the Performing Receivables; and
- (g) the PCP Used Vehicle Financing Ratio is less than 30 per cent. on such Relevant Date.

### **Eligibility Criteria**

Pursuant to the Master Receivables Transfer Agreement, the Seller will represent and warrant to the Issuer that each Receivable has been selected in accordance with the Receivables Eligibility Criteria and such Receivable (and the related Vehicle Sale Proceeds Receivable) satisfies the Receivables

Eligibility Criteria as of the relevant Cut-Off Date and is due from an Obligor which satisfies the Obligor Eligibility Criteria as of the relevant Cut-Off Date.

### **Receivables Eligibility Criteria**

Each Receivable (and related Finance Agreement) will be required to satisfy the following criteria as at the Cut-off Date immediately preceding the sale by the Seller to the Issuer of such Receivable:

- (a) such Receivable derives from a Finance Agreement excluding any Finance Agreements specifically offered only to the employees of the Renault Group;
- (b) the status and enforceability of the Receivable is not impaired by set-off rights;
- (c) such Receivable derives from a Finance Agreement made substantially in the form set out in Schedule 4 of the Master Receivables Transfer Agreement, subject to any amendments to such form made due to change in law or which are not material;
- (d) such Receivable is neither an RV Receivable, nor a Defaulted Receivable nor a Delinquent Receivable, and the Finance Agreement from which it derives is not subject to any material waiver, variation or amendment, has not been terminated, repudiated or rescinded, there has been no material breach, default or violation of any obligation, and more generally is not subject to litigation;
- (e) the Implicit Customer Rate applicable to such Receivable (set out in the data file appended to the First Receivables Offer or, as the case may be, the relevant Additional Receivables Offer) is fixed;
- (f) such Receivable is scheduled to amortise on a monthly basis and gives rise to monthly Instalments;
- (g) such Receivable has a remaining term to the Maturity Date not exceeding 60 months and not less than 1 month;
- (h) such Receivable has an original term to the Maturity Date not exceeding 61 months for HP Agreements and 49 months for PCP Agreements;
- (i) such Receivable is payable only in Sterling;
- (j) Instalments relating to such Receivable are specified in the relevant Finance Agreement to be payable only by direct debit;
- (k) in respect of such Receivable, the sum of (i) the age of the relevant Vehicle as at the corresponding Finance Agreement Effective Date and (ii) the period from the Finance Agreement Effective Date of the relevant Finance Agreement to the Maturity Date is less than 10 years;
- (l) in respect of such Receivable, the amount of the Final Instalment is less than 65 per cent. of the Acquisition Price of the corresponding Vehicle as at the corresponding Finance Agreement Effective Date;
- (m) at least one Instalment and any other fees or amounts in connection with the entry into the relevant Finance Agreement have been paid in full by the relevant Obligor (excluding, for the avoidance of doubt, any direct debit payment of the first Instalment of such Receivable (resulting in such first Instalment appearing as paid in the accounts of the Seller on the relevant Cut-Off Date) that is subsequently reversed by the related Obligor);
- (n) the Original Financing Amount of the Receivable on the relevant Finance Agreement Effective Date is equal to or below the sum of (i) the Acquisition Price, (ii) the road fund license (if any)

and (iii) the first registration fee (if any) in respect of such Vehicle as at the corresponding Finance Agreement Effective Date, both amounts being rounded at the nearest GBP 1;

- (o) the current Principal Outstanding Balance of the Receivable is higher than GBP100, and lower than GBP75,000;
- (p) the APR and the Implicit Customer Rate of such Finance Agreement is no more than 30 per cent per annum;
- (q) to the Seller's knowledge, the relevant Obligor of such Finance Agreement does not intend to make any prepayment or early settlement, in whole or in part, of such Finance Agreement or exercise its rights under the Consumer Credit Act in connection with a Voluntary Termination Event;
- (r) such Receivables do not include any securitisation positions; and
- (s) such Receivables is not, at the time of selection an exposure in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013 or an exposure to a credit-impaired debtor or guarantor who, to the best of the Seller's knowledge, in accordance with Article 20(11) of the UK Securitisation Regulation:
  - (i) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the Issuer;
  - (ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender; and
  - (iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the originator which are not securitise,

(such credit impaired debtor or guarantor being a "**Credit Impaired Debtor**").

### **Obligor Eligibility Criteria**

Each Obligor under a Finance Agreement relating to a Transferred Receivable will be required to satisfy the following criteria as at the Cut-off Date immediately preceding the sale by the Seller to the Issuer of such Receivables:

- (a) the Obligor is either (i) an individual who has its principal place of residence in England and Wales or Scotland or Northern Ireland or (ii) a corporate entity which has its registered office in England and Wales or in Scotland or in Northern Ireland;
- (b) the Obligor does not hold any deposit with the Seller;
- (c) the Obligor is not and has not been insolvent or bankrupt or subject to a Debt Relief Order and no proceedings for the commencement of insolvency proceedings against the Obligor are pending or threatened in any jurisdiction; and
- (d) no Obligor is either an employee of the Renault Group, or a member of Renault Group.

### **Receivables Representations**

Pursuant to the Master Receivables Transfer Agreement, the Seller will represent and warrant to the Issuer (i) on the date of the Initial Issue Date, in respect of each Receivable which is a First Transferred



Receivable and (ii) on the relevant Transfer Date, in respect of each Receivable which is an Additional Transferred Receivable (and, where specified below, in respect of each related Vehicle and Vehicle Sale Proceeds Receivable):

- (a) immediately before the sale of such Receivable by the Seller to the Issuer, the Seller is the sole creditor and (legal and beneficial) owner of such Receivable (and the related Vehicle Sale Proceeds Receivable) free from any Security Interest;
- (b) immediately before the sale of such Vehicle Sale Proceeds Receivable by the Seller to the Issuer, the Seller is the sole legal and beneficial owner of the relevant Vehicle and is and would be solely entitled to receive and retain (beneficially) the proceeds of any sale of the related Vehicle to a third party, in each case, free from any Security Interest;
- (c) the sale, assignment and transfer of such Receivable (and the related Vehicle Sale Proceeds Receivable) to the Issuer in accordance with the terms of the Transaction Documents will be a valid sale, assignment and transfer, and in the event of completion of the sale, assignment and transfer of such Receivable (and the related Vehicle Sale Proceeds Receivable) in accordance with the terms of the Transaction Documents, the Issuer will obtain good and marketable title thereto and will have beneficial title to or beneficial interest in such Receivable (and the related Vehicle Sale Proceeds Receivable) free from any third party rights;
- (d) all information given in respect of such Receivable (in particular the information contained in the Initial Issue Date Receivables Offer IT File or the Additional Receivables Offer IT File, as applicable) is true and correct as of the relevant Cut-Off Date, the identifying number stated therein allows the relevant Finance Agreement to be identified in the Seller's records and such Receivable is separately identifiable in the Seller's systems;
- (e) each Receivables Offer IT File is physically and unequivocally identified as the Receivables Offer IT File referred to in the First Receivables Offer or the relevant Additional Receivables Offer and is available as required to the Issuer on entry into of the First Receivables Offer or the relevant Additional Receivables Offer as applicable and is capable of being used by the Issuer to produce a physical list of the data contained therein without reference to the Seller or its systems;
- (f) such Receivable has been selected on the relevant Cut-Off Date in good faith on a non-adverse basis and in accordance with the Receivables Eligibility Criteria and such Receivable (and the related Vehicle Sale Proceeds Receivable) satisfies the Receivables Eligibility Criteria as of the relevant Cut-Off Date and is due from an Obligor which satisfies the Obligor Eligibility Criteria as of the relevant Cut-Off Date and has been transferred without undue delay;
- (g) such Receivable derives from a Finance Agreement:
  - (i) which is legally valid, binding and enforceable (with or without a court order) in accordance with its terms and all Applicable Laws (including with respect to consumer protection and data protection), with full recourse to debtors and all required consents, approvals and authorisations have been obtained in respect thereof;
  - (ii) which has been directly originated in the ordinary course of the Seller's business in accordance with the Seller's (so long as it is the Servicer) Underwriting and Collection Procedures, is based on the Seller's general terms and conditions of business and such Underwriting and Collection Procedures are no less stringent than those that the Seller applies at the time of origination to similar exposures that are not securitised;
  - (iii) which was originated in accordance with all Applicable Laws in all material respects and which conforms in all material respects with all Applicable Laws (including, but not limited to applicable anti-money laundering, anti-bribery or anti-corruption law or regulation) in effect and binding upon it;

- (iv) which was entered into in compliance with the terms of all applicable anti-money laundering, anti-bribery or anti-corruption law or regulation;
  - (v) which has been entered into in connection with the financing of one Vehicle by the Obligor at the time of sale and assignment of the relevant Receivable and of the related Ancillary Rights;
  - (vi) which has not been terminated or cancelled and pursuant to which repayments have not been suspended and are not capable of being suspended except as permitted in clause 3.2 of the Servicing Agreement; and
  - (vii) which has been administered at all times in compliance with the terms of the Finance Agreement (save to the extent a Prudent Lender would do otherwise) and in accordance with all Applicable Laws in all material respects including as regards the provision of post-contractual documentation required under the CCA (without limitation including annual statement, notices of sums in arrears and notices of sums in default) which has been sent to the Obligor in the form and at the times required by the CCA;
- (i) such Receivable is governed by and subject to English law, Scots Law or Northern Irish Law;
  - (j) such Receivable (and the related Vehicle Sale Proceeds Receivable) is a financial asset for the purposes of generally accepted accounting practice;
  - (k) prior to entering into each Finance Agreement, the Seller carried out all investigations, searches and other actions, and made such enquiries as to the status and creditworthiness of each Obligor thereunder as described in the Underwriting and Collection Procedures as amended from time to time;
  - (l) the Seller is not prohibited from selling, transferring, assigning or holding on trust its rights in respect of the relevant Receivable, Ancillary Rights or Vehicle Sale Proceeds Receivable which may be transferred by way of sale and assignment or trust and, subject to the applicable provisions of the Data Protection Laws, such sale, transfer, assignment or holding on trust is not limited by contractual or legal provisions nor any requirement to give notice or obtain consent from the Obligor or any other person in relation to any such sale, transfer, assignment or trust;
  - (m) to the extent that the relevant Obligor is an individual or a relevant recipient of credit (as defined in Article 60L of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001), the Seller (and any Car Dealers or agents acting on its behalf) has fully complied with all applicable consumer legislation (including but not limited to the CCA and the CRA) and rules, guidance or publications from the FCA and the related Finance Agreements comply with the requirements thereof and at the time such Receivable was originated, the Seller (and any Car Dealers or agents acting on its behalf) has the necessary licences pursuant to FSMA; no Finance Agreement relating to a Receivable contains any material term capable of being found by a court of competent jurisdiction as considered by the Director General of Fair Trading to be an unfair term for the purposes of the Unfair Terms in Consumer Contracts Regulations 1994 and 1999 or the Consumer Rights Act 2015 (as applicable);
  - (n) such Receivable (and the related Vehicle Sale Proceeds Receivable) is capable of being subject to the Security such that the Issuer may grant in respect thereof the Security Interests expressed to be granted under the Deed of Charge;
  - (o) the Seller has maintained records relating to the relevant Finance Agreement which are accurate and complete and which are sufficient to enable the relevant Finance Agreement to be enforced against the relevant Obligor, so that such Receivable is distinguishable from other claims of the Seller and such records are held by or to the order of the Seller;
  - (p) the Receivable (and the related Vehicle Sale Proceeds Receivable) is not subject to any rights of rescission, set-off, withholding, suspension, counterclaim or defence whatsoever;

- (q) to the Seller's knowledge, no action has been taken, and no omission has occurred, on the part of the Seller which might invalidate or render voidable any Debtor Insurance or any Insurance Policy in respect of the relevant Finance Agreement in any respect and it has not received notice or become aware of any act, omission or event on its part such that any such Debtor Insurance or any Insurance Policy might be or become void, voidable or otherwise in any way materially adversely affected;
- (r) the amounts received in connection with such Receivable (and the related Vehicle Sale Proceeds Receivable) can be segregated and identified from the other receivables owed to the Seller on any day;
- (s) to the Seller's knowledge, no action has been taken, and no omission has occurred, on the part of the Seller which might invalidate or render voidable any maintenance contract in respect of such Receivable (and the related Vehicle Sale Proceeds Receivable) in any respect, and it has not received notice or become aware of any act, omission or event on its part such that any maintenance contract might be or become void, voidable or otherwise in any way materially adversely affected;
- (t) there has been no waiver, variation or amendment in respect of the original terms of the relevant Finance Agreement which might have a Material Adverse Effect on the amount or collectability of such Receivable;
- (u) such Receivable derives from a Finance Agreement under which: (i) there is no obligation on the Seller to provide any maintenance service, Insurance Policy, Debtor Insurance or other type of insurance; and (ii) the Seller does not provide any "credit" within the meaning of section 9 of the Consumer Credit Act 1974 in respect of maintenance services, Insurance Policies, Debtor Insurance or any other type of insurance under the relevant Finance Agreement;
- (v) the purchase price (including VAT) for the relevant Vehicle has been paid in full to the relevant Car Dealer;
- (w) the Vehicle financed by the Finance Agreement has been delivered to, and not rejected by, the relevant Obligor and such Vehicle (i) is not a total loss for insurance purposes, (ii) has not been stolen and (iii) is in the possession or under the control of the relevant Obligor and (iv) has materially complied with the requirements under section 10 of the Supply of Goods (Implied Terms) Act 1973 or alternatively (as applicable) sections 9, 10, 11, 13 and 14 of the Consumer Rights Act 2015;
- (x) the Vehicle financed by the Finance Agreement is capable of being "Trust Property" as defined in and for the purposes of each Scottish Declaration of Trust;
- (y) the relevant Obligor has not withheld or deducted any amount for or on account of tax from any payment made pursuant to the relevant Finance Agreement, or attempted to do the same; and
- (z) no Finance Agreement relating to such Receivable is subject to any claim or proceeding under Section 75 or Section 75A CCA;
- (aa) such Receivable derives from a Finance Agreement which contains no obligation whereby the Seller is required to provide any Insurance Policy, Debtor Insurance or other type of insurance;
- (bb) no action whether formal or informal has been taken by the Competition and Markets Authority, the FOS, the FCA, a qualifying body as defined in the UTCCR or an enforcer as defined in the CRA, against the Seller or Servicer pursuant to the UTCCR, CRA or other applicable legislation which could reasonably be expected to restrict or prevent the operation of any material term of any Finance Agreement with an Obligor relating to a Receivable;
- (cc) there is no matter in relation to a Finance Agreement with an Obligor that is subject to ongoing remediation by the Seller or, so far as the Seller is aware, requires remediation by the Seller;

- (dd) to the best of the Seller's knowledge, there is no unresolved complaints or outstanding actions with the FOS in relation to the Finance Agreement with any Obligor relating to any such Receivable;
- (ee) the Seller has not sold (nor has any person or entity sold on their behalf) any payment protection insurance (PPI) to an Obligor under any Finance Agreement relating to the Receivable; and
- (ff) to the best of the Seller's knowledge, the Finance Agreement relating to such Receivable (whether alone or with any related agreement) does not constitute, whether in whole or in part, an unfair relationship for the purposes of sections 140A to 140C of the CCA.

**No active portfolio management of the Transferred Receivables**

As long as any Class of Notes is outstanding, there will be no active portfolio management by the Seller of the Receivables on a discretionary basis.

**Limits of the Representations and Warranties**

The representations, warranties and undertakings given by the Seller in respect of the conformity of the Transferred Receivables to the applicable Eligibility Criteria under the terms of the Master Receivables Transfer Agreement do not give rise to any guarantee. Under no circumstances may the Issuer request an additional indemnity from the Seller in respect of such representations, warranties and undertakings.

The Seller does not guarantee the creditworthiness of the Obligors or the effectiveness and/or the economic value of the Ancillary Rights. Moreover, the above representations, warranties and undertakings do not provide the Noteholders with any enforcement right vis-à-vis the Seller.

## PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA

The statistical and other information contained in this section has been compiled by reference to a portfolio of GBP1,041,666,999.51 as at the Initial Cut-Off Date (on the basis of information provided by the Seller) (the "**Portfolio**") and is described further in the section entitled "*DESCRIPTION OF THE PORTFOLIO*" above.

The Aggregate Principal Outstanding Balance of the Portfolio as at the Initial Cut-Off Date will be equal to the Aggregate Note Principal Amount Outstanding of all the Notes.

Except as otherwise indicated, these tables have been prepared using the Principal Outstanding Balance as at the Initial Cut-Off Date. The amounts in GBP are sometimes rounded at the nearest GBP1 and the columns of percentages may not add up to 100% due to rounding.

The composition of the portfolio of Transferred Receivables will be modified as a result of purchase of Additional Eligible Receivables, the amortisation of the Transferred Receivables, any prepayments, any losses related to the Transferred Receivables, any retransfer of Transferred Receivables or renegotiations entered into by the Servicer in accordance with the Servicing Procedures.

As at the Initial Cut-Off Date, the Portfolio had the following characteristics.

Final Portfolio Summary Information

	Hire Purchase			Personal Contract Purchase			All Contracts		
	New Vehicles	Used Vehicles	Total	New Vehicles	Used Vehicles	Total	New Vehicles	Used Vehicles	Total
<b>Aggregate Principal Outstanding Balance</b>	£45,241,411	£56,084,311	£101,325,722	£726,872,044	£213,469,234	£940,341,278	£772,113,455	£269,553,545	£1,041,667,000
<b>Number of Loans</b>	6,964	12,365	19,329	59,784	24,249	84,033	66,748	36,614	103,362
<b>Minimum Loan Balance</b>	£110	£110	£110	£1,255	£338	£338	£110	£110	£110
<b>Maximum Loan Balance</b>	£28,700	£37,716	£37,716	£64,037	£55,364	£64,037	£64,037	£55,364	£64,037
<b>Arithmetic Average Loan Balance</b>	£6,496	£4,536	£5,242	£12,158	£8,803	£11,190	£11,568	£7,362	£10,078
<b>Balloon Payments</b>	£0.00	£0.00	£0.00	£438,269,798	£122,098,611	£560,368,409	£438,269,798	£122,098,611	£560,368,409
<b>Wtd Avg. Balloon Payments / Loan Origination Value</b>	0.0%	0.0%	0.0%	45.2%	45.2%	45.2%	42.5%	35.8%	40.8%
<b>Monthly Direct Debit Pay %</b>	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>Weighted Average OLV %</b>	74.2%	71.8%	72.9%	86.0%	87.9%	86.4%	85.3%	84.5%	85.1%
<b>Weighted Average Original Term to Maturity (mths)</b>	54	49	51	46	46	46	47	47	47
<b>Minimum Term (mths)</b>	24	12	12	24	24	24	24	12	12
<b>Maximum Term (mths)</b>	60	60	60	48	48	48	60	60	60
<b>Weighted Average Remaining Term to Maturity (mths)</b>	34	31	33	27	29	28	28	29	28
<b>Minimum Term (mths)</b>	1	1	1	2	2	2	1	1	1
<b>Maximum Term (mths)</b>	57	55	57	46	44	46	57	55	57
<b>Weighted Average Seasoning (mths)</b>	19	17	18	19	17	18	19	17	18
<b>Minimum Seasoning (mths)</b>	2	2	2	2	4	2	2	2	2
<b>Maximum Seasoning (mths)</b>	58	57	58	46	46	46	58	57	58
<b>Weighted Average Discount Rate (%)</b>	6.9%	8.9%	8.0%	6.1%	9.5%	6.9%	6.2%	9.4%	7.01
<b>Minimum Discount Rate (%)</b>	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%
<b>Maximum Discount Rate (%)</b>	16.6%	17.3%	17.3%	16.1%	15.4%	16.1%	16.6%	17.3%	17.3%
<b>Wtd Avg. Deposit / Acquisition Price</b>	26.2%	14.8%	19.9%	14.6%	13.0%	14.3%	15.3%	13.4%	14.8%

**Table 1: Principal Outstanding Balances by Sub-Pool**

		Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
1	HP New Vehicles	£45,241,410.83	4.34%	6,964	6.74%
2	HP Used Vehicles	£56,084,311.06	5.38%	12,365	11.96%
3	PCP New Vehicles	£726,872,043.83	69.78%	59,784	57.84%
4	PCP Used Vehicles	£213,469,233.79	20.49%	24,249	23.46%
Total		£1,041,666,999.51	100.00%	103,362	100.00%

**Table 2: Principal Outstanding Balance**

Principal Outstanding Balance		Total Principal Outstanding Balance	% by Balance	Number of Agreements	% by Number
Min	Max				
£0	£5,000	£44,590,814.89	4.3%	14,729	14.2%
£5,000	£10,000	£309,600,937.46	29.7%	40,836	39.5%
£10,000	£15,000	£343,730,419.21	33.0%	28,463	27.5%
£15,000	£20,000	£261,994,343.06	25.2%	15,592	15.1%
£20,000	£25,000	£70,391,294.46	6.8%	3,344	3.2%
£25,000	£30,000	£8,522,524.92	0.8%	327	0.3%
£30,000	£35,000	£812,687.16	0.1%	26	0.0%
£35,000	+	£2,023,978.35	0.2%	45	0.0%
Total		£1,041,666,999.51	100.0%	103,362	100.0%

HP New Vehicles					
Principal Outstanding Balance		Principal Outstanding Balance	% by Balance	Number of Agreements	% by Number
Min	Max				
£0	£5,000	£8,222,274.29	18.2%	3,239	46.5%
£5,000	£10,000	£15,213,536.56	33.6%	2,121	30.5%
£10,000	£15,000	£12,501,384.92	27.6%	1,049	15.1%
£15,000	£20,000	£7,702,430.54	17.0%	479	6.9%
£20,000	£25,000	£1,420,125.94	3.1%	69	1.0%
£25,000	£30,000	£181,658.58	0.4%	7	0.1%
£30,000	£35,000	£0.00	0.0%	0	0.0%
£35,000	+	£0.00	0.0%	0	0.0%
Total		£45,241,410.83	100.0%	6,964	100.0%

HP Used Vehicles					
Principal Outstanding Balance		Principal Outstanding Balance	% by Balance	Number of Agreements	% by Number
Min	Max				
£0	£5,000	£21,242,486.42	37.9%	7,802	63.1%
£5,000	£10,000	£26,601,042.59	47.4%	3,902	31.6%
£10,000	£15,000	£6,609,808.20	11.8%	570	4.6%
£15,000	£20,000	£1,217,874.99	2.2%	73	0.6%
£20,000	£25,000	£346,604.52	0.6%	16	0.1%
£25,000	£30,000	£28,778.06	0.1%	1	0.0%
£30,000	£35,000	£0.00	0.0%	0	0.0%
£35,000	+	£37,716.28	0.1%	1	0.0%
Total		£56,084,311.06	100.0%	12,365	100.0%



PCP New Vehicles					
Principal Outstanding Balance		Principal Outstanding Balance	% by Balance	Number of Agreements	% by Number
Min	Max				
£0	£5,000	£6,252,715.27	0.9%	1,521	2.5%
£5,000	£10,000	£156,675,277.56	21.6%	20,092	33.6%
£10,000	£15,000	£249,912,496.36	34.4%	20,578	34.4%
£15,000	£20,000	£236,535,725.98	32.5%	14,039	23.5%
£20,000	£25,000	£66,943,335.23	9.2%	3,181	5.3%
£25,000	£30,000	£8,117,687.86	1.1%	312	0.5%
£30,000	£35,000	£715,025.69	0.1%	23	0.0%
£35,000	+	£1,719,779.88	0.2%	38	0.1%
Total		£726,872,043.83	100.0%	59,784	100.0%

PCP Used Vehicles					
Principal Outstanding Balance		Principal Outstanding Balance	% by Balance	Number of Agreements	% by Number
Min	Max				
£0	£5,000	£8,873,338.91	4.2%	2,167	8.9%
£5,000	£10,000	£111,111,080.75	52.1%	14,721	60.7%
£10,000	£15,000	£74,706,729.73	35.0%	6,266	25.8%
£15,000	£20,000	£16,538,311.55	7.7%	1,001	4.1%
£20,000	£25,000	£1,681,228.77	0.8%	78	0.3%
£25,000	£30,000	£194,400.42	0.1%	7	0.0%
£30,000	£35,000	£97,661.47	0.0%	3	0.0%
£35,000	+	£266,482.19	0.1%	6	0.0%
Total		£213,469,233.79	100.0%	24,249	100.0%

Table 3: Original Term to Maturity (in months)

Original Term to Maturity	Total					
	Min	Max	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	1	12	£6,948.99	0.00%	8	0.01%
	13	24	£6,272,330.47	0.60%	1,860	1.80%
	25	36	£150,419,304.51	14.44%	17,060	16.51%
	37	48	£829,891,433.75	79.67%	76,766	74.27%
	49	60	£55,076,981.79	5.29%	7,668	7.42%
	Total		£1,041,666,999.51	100.00%	103,362	100.00%

Original Term to Maturity	HP New Vehicles					
	Min	Max	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	1	12	£0.00	0.00%	0	0.00%
	13	24	£360,112.14	0.80%	90	1.29%
	25	36	£4,686,294.56	10.36%	935	13.43%
	37	48	£11,886,294.33	26.27%	2,627	37.72%
	49	60	£28,308,709.80	62.57%	3,312	47.56%
	Total		£45,241,410.83	100.00%	6,964	100.00%

Original Term to Maturity	HP Used Vehicles					
	Min	Max	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	1	12	£6,948.99	0.01%	8	0.06%
	13	24	£3,639,537.82	6.49%	1,568	12.68%
	25	36	£14,631,658.91	26.09%	4,082	33.01%
	37	48	£11,037,893.35	19.68%	2,351	19.01%
	49	60	£26,768,271.99	47.73%	4,356	35.23%
	Total		£56,084,311.06	100.00%	12,365	100.00%

Original Term to Maturity	PCP New Vehicles					
	Min	Max	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	1	12	£0.00	0.00%	0	0.00%
	13	24	£2,123,380.18	0.29%	183	0.31%
	25	36	£100,952,071.63	13.89%	8,032	13.44%
	37	48	£623,796,592.02	85.82%	51,569	86.26%
	49	60	£0.00	0.00%	0	0.00%
Total		£726,872,043.83	100.00%	59,784	100.00%	

Original Term to Maturity	PCP Used Vehicles					
	Min	Max	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	1	12	£0.00	0.00%	0	0.00%
	13	24	£149,300.33	0.07%	19	0.08%
	25	36	£30,149,279.41	14.12%	4,011	16.54%
	37	48	£183,170,654.05	85.81%	20,219	83.38%
	49	60	£0.00	0.00%	0	0.00%
Total		£213,469,233.79	100.00%	24,249	100.00%	

Table 4: Seasoning (in months)

Number of Months Since Origination	Total					
	Min	Max	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	0	5	£25,965,902.32	2.49%	2,033	1.97%
	6	11	£319,202,886.61	30.64%	25,572	24.74%
	12	17	£205,604,806.59	19.74%	18,151	17.56%
	18	23	£179,500,472.13	17.23%	17,905	17.32%
	24	29	£168,622,171.42	16.19%	18,594	17.99%
	30	35	£89,824,653.73	8.62%	11,723	11.34%
	36	41	£36,364,572.57	3.49%	5,686	5.50%
	42	47	£15,781,066.59	1.51%	3,275	3.17%
	48	53	£772,983.95	0.07%	382	0.37%
	54	60	£27,483.60	0.00%	41	0.04%
	Total		£1,041,666,999.51	100.00%	103,362	100.00%

Number of Months Since Origination	HP New Vehicles					
	Min	Max	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	0	5	£1,326,457.57	2.93%	100	1.44%
	6	11	£14,499,798.96	32.05%	1,336	19.18%
	12	17	£8,682,940.63	19.19%	926	13.30%
	18	23	£5,924,241.58	13.09%	797	11.44%
	24	29	£6,603,218.95	14.60%	1,087	15.61%
	30	35	£4,522,088.66	10.00%	1,064	15.28%
	36	41	£1,990,901.53	4.40%	728	10.45%
	42	47	£1,276,623.83	2.82%	718	10.31%
	48	53	£398,891.42	0.88%	183	2.63%
	54	60	£16,247.70	0.04%	25	0.36%
	Total		£45,241,410.83	100.00%	6,964	100.00%

Number of Months Since Origination	HP Used Vehicles					
	Min	Max	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	0	5	£2,707,949.53	4.83%	429	3.47%
	6	11	£20,567,340.48	36.67%	3,364	27.21%
	12	17	£11,425,859.32	20.37%	2,401	19.42%
	18	23	£8,487,405.41	15.13%	2,096	16.95%
	24	29	£6,082,664.67	10.85%	1,629	13.17%
	30	35	£3,684,192.55	6.57%	1,213	9.81%
	36	41	£1,759,287.70	3.14%	564	4.56%
	42	47	£984,282.97	1.76%	454	3.67%
	48	53	£374,092.53	0.67%	199	1.61%
	54	60	£11,235.90	0.02%	16	0.13%
	Total		£56,084,311.06	100.00%	12,365	100.00%

Number of Months Since Origination	PCP New Vehicles					
	Min	Max	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	0	5	£15,129,748.54	2.08%	906	1.52%
	6	11	£210,594,812.00	28.97%	13,837	23.14%
	12	17	£143,117,107.53	19.69%	10,308	17.24%
	18	23	£129,657,247.71	17.84%	10,627	17.78%
	24	29	£127,285,927.00	17.51%	12,130	20.29%
	30	35	£64,195,527.93	8.83%	6,994	11.70%
	36	41	£25,785,228.82	3.55%	3,309	5.53%
	42	47	£11,106,444.30	1.53%	1,673	2.80%
	48	53	£0.00	0.00%	0	0.00%
	54	60	£0.00	0.00%	0	0.00%
	Total		£726,872,043.83	100.00%	59,784	100.00%

Number of Months Since Origination	PCP Used Vehicles					
	Min	Max	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	0	5	£6,801,746.68	3.19%	598	2.47%
	6	11	£73,540,935.17	34.45%	7,035	29.01%
	12	17	£42,378,899.11	19.85%	4,516	18.62%
	18	23	£35,431,577.43	16.60%	4,385	18.08%
	24	29	£28,650,360.80	13.42%	3,748	15.46%
	30	35	£17,422,844.59	8.16%	2,452	10.11%
	36	41	£6,829,154.52	3.20%	1,085	4.47%
	42	47	£2,413,715.49	1.13%	430	1.77%
48	53	£0.00	0.00%	0	0.00%	
54	60	£0.00	0.00%	0	0.00%	
Total		£213,469,233.79	100.00%	24,249	100.00%	

Table 5: Remaining Term from Initial Cut off Date to Maturity (in months)

Remaining Term	Total					
	Min	Max	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	1	12	£96,824,581.25	9.30%	15,738	15.23%
	13	24	£271,724,330.16	26.09%	31,010	30.00%
	25	36	£366,277,291.91	35.16%	33,091	32.01%
	37	48	£291,774,652.04	28.01%	22,145	21.42%
	49	60	£15,066,144.15	1.45%	1,378	1.33%
	Total		£1,041,666,999.51	100.00%	103,362	100.00%

Remaining Term	HP New Vehicles					
	Min	Max	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	1	12	£2,850,751.60	6.30%	1,642	23.58%
	13	24	£7,794,163.29	17.23%	1,748	25.10%
	25	36	£13,157,017.36	29.08%	1,735	24.91%
	37	48	£13,506,815.73	29.85%	1,249	17.94%
	49	60	£7,932,662.85	17.53%	590	8.47%
	Total		£45,241,410.83	100.00%	6,964	100.00%

Remaining Term	HP Used Vehicles					
	Min	Max	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	1	12	£4,318,530.59	7.70%	2,765	22.36%
13	24	£13,980,690.64	24.93%	3,847	31.11%	
25	36	£17,234,455.26	30.73%	3,149	25.47%	
37	48	£13,417,153.27	23.92%	1,816	14.69%	
49	60	£7,133,481.30	12.72%	788	6.37%	
Total		£56,084,311.06	100.00%	12,365	100.00%	

Remaining Term	PCP New Vehicles					
	Min	Max	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	1	12	£71,290,406.05	9.81%	8,352	13.97%
13	24	£200,111,699.59	27.53%	18,952	31.70%	
25	36	£259,651,382.05	35.72%	19,749	33.03%	
37	48	£195,818,556.14	26.94%	12,731	21.29%	
49	60	£0.00	0.00%	0	0.00%	
Total		£726,872,043.83	100.00%	59,784	100.00%	

Remaining Term	PCP Used Vehicles					
	Min	Max	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	1	12	£18,364,893.01	8.60%	2,979	12.29%
13	24	£49,837,776.64	23.35%	6,463	26.65%	
25	36	£76,234,437.24	35.71%	8,458	34.88%	
37	48	£69,032,126.90	32.34%	6,349	26.18%	
49	60	£0.00	0.00%	0	0.00%	
Total		£213,469,233.79	100.00%	24,249	100.00%	

Table 6: Vehicle Type

Total				
	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
Car	£1,008,383,226.93	96.80%	99,798	96.55%
Van	£33,283,772.58	3.20%	3,564	3.45%
Total	£1,041,666,999.51	100.00%	103,362	100.00%

HP New Vehicles				
	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
Car	£21,732,640.08	48.04%	4,491	64.49%
Van	£23,508,770.75	51.96%	2,473	35.51%
Total	£45,241,410.83	100.00%	6,964	100.00%

HP Used Vehicles				
	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
Car	£50,977,441.23	90.89%	11,579	93.64%
Van	£5,106,869.83	9.11%	786	6.36%
Total	£56,084,311.06	100.00%	12,365	100.00%

PCP New Vehicles				
	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
Car	£723,118,682.91	99.48%	59,548	99.61%
Van	£3,753,360.92	0.52%	236	0.39%
Total	£726,872,043.83	100.00%	59,784	100.00%

PCP Used Vehicles				
	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
Car	£212,554,462.71	99.57%	24,180	99.72%
Van	£914,771.08	0.43%	69	0.28%
Total	£213,469,233.79	100.00%	24,249	100.00%



Table 7: Discount Rate

Discount Rate	Total					
	Min % [>]	Max % [<=]	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	5.9	7	£753,252,320.66	72.31%	65,418	63.29%
	7	9	£61,158,025.29	5.87%	9,306	9.00%
	9	11	£192,527,306.98	18.48%	23,514	22.75%
	11	13	£31,366,544.47	3.01%	4,489	4.34%
	13	15	£3,324,986.91	0.32%	623	0.60%
	15	17	£28,851.63	0.00%	11	0.01%
	17	19	£8,963.57	0.00%	1	0.00%
	Total		£1,041,666,999.51	100.00%	103,362	100.00%

Discount Rate	HP New Vehicles					
	Min % [>]	Max % [<=]	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	5.9	7	£31,178,769.43	68.92%	4,687	67.30%
	7	9	£10,260,746.21	22.68%	1,640	23.55%
	9	11	£2,905,720.37	6.42%	484	6.95%
	11	13	£764,506.42	1.69%	124	1.78%
	13	15	£127,767.07	0.28%	27	0.39%
	15	17	£3,901.33	0.01%	2	0.03%
	17	19	£0.00	0.00%	0	0.00%
	Total		£45,241,410.83	100.00%	6,964	100.00%

Discount Rate	HP Used Vehicles					
	Min % [>]	Max % [<=]	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	5.9	7	£13,799,195.86	24.60%	2,808	22.71%
	7	9	£13,088,240.57	23.34%	3,849	31.13%
	9	11	£20,003,064.86	35.67%	3,746	30.30%
	11	13	£7,580,163.12	13.52%	1,552	12.55%
	13	15	£1,595,904.33	2.85%	403	3.26%
	15	17	£8,778.75	0.02%	6	0.05%
	17	19	£8,963.57	0.02%	1	0.01%
	Total		£56,084,311.06	100.00%	12,365	100.00%

Discount Rate	PCP New Vehicles					
	Min % [>]	Max % [<=]	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	5.9	7	£701,776,628.20	96.55%	57,277	95.81%
	7	9	£11,989,950.65	1.65%	1,222	2.04%
	9	11	£11,583,640.59	1.59%	1,133	1.90%
	11	13	£1,420,430.27	0.20%	142	0.24%
	13	15	£91,459.29	0.01%	8	0.01%
	15	17	£9,934.83	0.00%	2	0.00%
	17	19	£0.00	0.00%	0	0.00%
	Total		£726,872,043.83	100.00%	59,784	100.00%

Discount Rate	PCP Used Vehicles					
	Min % [>]	Max % [<=]	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	5.9	7	£6,497,727.17	3.04%	646	2.66%
	7	9	£25,819,087.86	12.09%	2,595	10.70%
	9	11	£158,034,881.16	74.03%	18,151	74.85%
	11	13	£21,601,444.66	10.12%	2,671	11.01%
	13	15	£1,509,856.22	0.71%	185	0.76%
	15	17	£6,236.72	0.00%	1	0.00%
	17	19	£0.00	0.00%	0	0.00%
	Total		£213,469,233.79	100.00%	24,249	100.00%

Table 8: Loan-to-Value Ratio

Loan to Value	Total					
	Min % [>]	Max % [<=]	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	0%	10%	£8,171.38	0.00%	12	0.01%
	10%	20%	£62,456.48	0.01%	43	0.04%
	20%	30%	£1,265,173.98	0.12%	585	0.57%
	30%	40%	£7,462,324.93	0.72%	2,475	2.39%
	40%	50%	£10,205,760.10	0.98%	2,600	2.52%
	50%	60%	£32,779,243.59	3.15%	4,881	4.72%
	60%	70%	£62,575,676.22	6.01%	7,307	7.07%
	70%	80%	£166,222,308.29	15.96%	15,651	15.14%
80%	90%	£334,997,080.58	32.16%	29,983	29.01%	
90%	100%	£425,872,726.33	40.88%	39,790	38.50%	
100%	+	£216,077.63	0.02%	35	0.03%	
Total		£1,041,666,999.51	100.00%	103,362	100.00%	

Loan to Value	HP New Vehicles					
	Min % [>]	Max % [<=]	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	0%	10%	£0.00	0.00%	0	0.00%
	10%	20%	£26,308.54	0.06%	16	0.23%
	20%	30%	£402,636.82	0.89%	147	2.11%
	30%	40%	£1,198,266.77	2.65%	362	5.20%
	40%	50%	£2,373,384.14	5.25%	605	8.69%
	50%	60%	£4,692,720.57	10.37%	1,240	17.81%
	60%	70%	£6,124,574.93	13.54%	1,060	15.22%
	70%	80%	£12,833,936.19	28.37%	1,375	19.74%
80%	90%	£11,119,190.90	24.58%	1,290	18.52%	
90%	100%	£6,470,391.97	14.30%	869	12.48%	
100%	+	£0.00	0.00%	0	0.00%	
Total		£45,241,410.83	100.00%	6,964	100.00%	

Loan to Value	HP Used Vehicles					
	Min % [>]	Max % [<=]	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	0%	10%	£8,171.38	0.01%	12	0.10%
	10%	20%	£36,147.94	0.06%	27	0.22%
	20%	30%	£862,537.16	1.54%	438	3.54%
	30%	40%	£6,252,211.09	11.15%	2,112	17.08%
	40%	50%	£7,762,755.48	13.84%	1,986	16.06%
	50%	60%	£3,640,980.66	6.49%	927	7.50%
	60%	70%	£4,172,800.74	7.44%	918	7.42%
	70%	80%	£7,030,399.78	12.54%	1,284	10.38%
	80%	90%	£9,909,391.90	17.67%	1,683	13.61%
	90%	100%	£16,390,840.86	29.23%	2,971	24.03%
	100%	+	£18,074.07	0.03%	7	0.06%
Total		£56,084,311.06	100.00%	12,365	100.00%	

Loan to Value	PCP New Vehicles					
	Min % [>]	Max % [<=]	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	0%	10%	£0.00	0.00%	0	0.00%
	10%	20%	£0.00	0.00%	0	0.00%
	20%	30%	£0.00	0.00%	0	0.00%
	30%	40%	£0.00	0.00%	0	0.00%
	40%	50%	£29,928.39	0.00%	4	0.01%
	50%	60%	£19,254,832.85	2.65%	1,947	3.26%
	60%	70%	£39,079,239.84	5.38%	3,437	5.75%
	70%	80%	£121,632,686.17	16.73%	9,908	16.57%
	80%	90%	£256,876,776.18	35.34%	20,497	34.29%
	90%	100%	£289,941,449.67	39.89%	23,982	40.11%
	100%	+	£57,130.73	0.01%	9	0.02%
Total		£726,872,043.83	100.00%	59,784	100.00%	

Loan to Value	PCP Used Vehicles					
	Min % [>]	Max % [<=]	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	0%	10%	£0.00	0.00%	0	0.00%
	10%	20%	£0.00	0.00%	0	0.00%
	20%	30%	£0.00	0.00%	0	0.00%
	30%	40%	£11,847.07	0.01%	1	0.00%
	40%	50%	£39,692.09	0.02%	5	0.02%
	50%	60%	£5,190,709.51	2.43%	767	3.16%
	60%	70%	£13,199,060.71	6.18%	1,892	7.80%
	70%	80%	£24,725,286.15	11.58%	3,084	12.72%
	80%	90%	£57,091,721.60	26.74%	6,513	26.86%
	90%	100%	£113,070,043.83	52.97%	11,968	49.35%
	100%	+	£140,872.83	0.07%	19	0.08%
Total		£213,469,233.79	100.00%	24,249	100.00%	

Table 9: Deposit as % of Acquisition Price

Deposit Value %	Total					
	Min % [>]	Max % [<=]	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	0%	10%	£411,268,308.69	39.48%	41,176	39.84%
	10%	20%	£342,236,459.83	32.85%	30,611	29.62%
	20%	30%	£178,836,486.43	17.17%	16,767	16.22%
	30%	40%	£66,609,107.31	6.39%	7,480	7.24%
	40%	50%	£32,796,372.60	3.15%	4,917	4.76%
	50%	60%	£7,169,281.80	0.69%	1,512	1.46%
	60%	70%	£2,043,450.81	0.20%	629	0.61%
	70%	80%	£668,711.93	0.06%	247	0.24%
	80%	90%	£38,820.11	0.00%	23	0.02%
	90%	100%	£0.00	0.00%	0	0.00%
	Total		£1,041,666,999.51	100.00%	103,362	100.00%

Deposit Value %	HP New Vehicles					
	Min % [>]	Max % [<=]	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	0%	10%	£6,168,037.59	13.63%	834	11.98%
	10%	20%	£9,154,599.47	20.23%	1,104	15.85%
	20%	30%	£14,862,453.80	32.85%	1,564	22.46%
	30%	40%	£5,940,297.45	13.13%	885	12.71%
	40%	50%	£4,868,404.27	10.76%	1,393	20.00%
	50%	60%	£2,560,266.75	5.66%	644	9.25%
	60%	70%	£1,193,280.00	2.64%	356	5.11%
	70%	80%	£464,724.08	1.03%	165	2.37%
	80%	90%	£29,347.42	0.06%	19	0.27%
	90%	100%	£0.00	0.00%	0	0.00%
	Total		£45,241,410.83	100.00%	6,964	100.00%

Deposit Value %	HP Used Vehicles					
	Min % [>]	Max % [<=]	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	0%	10%	£28,294,700.56	50.45%	6,722	54.36%
	10%	20%	£10,283,676.21	18.34%	1,726	13.96%
	20%	30%	£7,294,754.62	13.01%	1,332	10.77%
	30%	40%	£4,479,060.74	7.99%	949	7.67%
	40%	50%	£2,849,445.28	5.08%	734	5.94%
	50%	60%	£1,830,889.37	3.26%	544	4.40%
	60%	70%	£838,323.74	1.49%	272	2.20%
	70%	80%	£203,987.85	0.36%	82	0.66%
	80%	90%	£9,472.69	0.02%	4	0.03%
	90%	100%	£0.00	0.00%	0	0.00%
Total		£56,084,311.06	100.00%	12,365	100.00%	

Deposit Value %	PCP New Vehicles					
	Min % [>]	Max % [<=]	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	0%	10%	£272,536,694.90	37.49%	22,652	37.89%
	10%	20%	£261,206,574.31	35.94%	20,799	34.79%
	20%	30%	£129,551,873.16	17.82%	10,510	17.58%
	30%	40%	£42,338,318.52	5.82%	3,688	6.17%
	40%	50%	£19,162,429.60	2.64%	1,914	3.20%
	50%	60%	£2,076,153.34	0.29%	221	0.37%
	60%	70%	£0.00	0.00%	0	0.00%
	70%	80%	£0.00	0.00%	0	0.00%
	80%	90%	£0.00	0.00%	0	0.00%
	90%	100%	£0.00	0.00%	0	0.00%
Total		£726,872,043.83	100.00%	59,784	100.00%	

Deposit Value %	PCP Used Vehicles					
	Min % [>]	Max % [<=]	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	0%	10%	£104,268,875.64	48.84%	10,968	45.23%
	10%	20%	£61,591,609.84	28.85%	6,982	28.79%
	20%	30%	£27,127,404.85	12.71%	3,361	13.86%
	30%	40%	£13,851,430.60	6.49%	1,958	8.07%
	40%	50%	£5,916,093.45	2.77%	876	3.61%
	50%	60%	£701,972.34	0.33%	103	0.42%
	60%	70%	£11,847.07	0.01%	1	0.00%
	70%	80%	£0.00	0.00%	0	0.00%
80%	90%	£0.00	0.00%	0	0.00%	
90%	100%	£0.00	0.00%	0	0.00%	
Total		£213,469,233.79	100.00%	24,249	100.00%	



Table 10: Car Make Distribution

Car Make	Total				
	Car Make	Principal Outstanding Balance	% of Balance	Number of Agreements	% of Number
	ABARTH	£77,311.38	0.01%	10	0.01%
	ALFA ROMEO	£15,318.68	0.00%	4	0.00%
	ALPINE	£1,074,729.42	0.10%	32	0.03%
	AUDI	£1,507,218.62	0.14%	143	0.14%
	BMW	£1,153,148.15	0.11%	110	0.11%
	CHEVROLET	£961.48	0.00%	1	0.00%
	CHRYSLER	£1,578.92	0.00%	1	0.00%
	CITROEN	£1,008,261.92	0.10%	186	0.18%
	DACIA	£132,683,778.33	12.74%	17,528	16.96%
	DS	£228,445.33	0.02%	38	0.04%
	FIAT	£1,185,338.37	0.11%	225	0.22%
	FORD	£2,576,651.60	0.25%	392	0.38%
	HONDA	£319,391.34	0.03%	40	0.04%
	HYUNDAI	£797,996.14	0.08%	122	0.12%
	INFINITI	£2,494,884.36	0.24%	249	0.24%
	ISUZU	£19,634.68	0.00%	2	0.00%
	JAGUAR	£165,400.02	0.02%	14	0.01%
	JEEP	£162,323.06	0.02%	13	0.01%
	KIA	£2,637,664.97	0.25%	301	0.29%
	LAND ROVER	£384,308.83	0.04%	25	0.02%
	LEXUS	£21,435.75	0.00%	2	0.00%
	MAZDA	£284,117.87	0.03%	42	0.04%
	MERCEDES-BENZ	£1,751,490.71	0.17%	145	0.14%
	MG MOTOR UK	£137,582.09	0.01%	19	0.02%
	MINI	£436,534.25	0.04%	57	0.06%
	MITSUBISHI	£393,502.97	0.04%	41	0.04%
	NISSAN	£588,307,372.19	56.48%	50,702	49.05%
	PEUGEOT	£1,411,524.02	0.14%	234	0.23%
	PORSCHE	£25,126.01	0.00%	2	0.00%
	RENAULT	£295,728,763.79	28.39%	31,945	30.91%
	RENAULT TRUCKS UK	£3,153.25	0.00%	1	0.00%

	SEAT	£476,852.53	0.05%	69	0.07%
	SKODA	£246,042.03	0.02%	40	0.04%
	SMART	£46,136.07	0.00%	8	0.01%
	SSANGYONG	£13,278.19	0.00%	2	0.00%
	SUBARU	£52,985.41	0.01%	4	0.00%
	SUZUKI	£343,827.58	0.03%	59	0.06%
	TOYOTA	£516,863.22	0.05%	76	0.07%
	VAUXHALL	£1,485,038.51	0.14%	302	0.29%
	VOLKSWAGEN	£1,135,525.85	0.11%	146	0.14%
	VOLVO	£355,501.62	0.03%	30	0.03%
	Total	£1,041,666,999.51	100.00%	103,362	100.00%

Table 11: Geographical Distribution

Total				
Region	Principal Outstanding Balance	% by Balance	Number of Agreements	% by Number
England	£839,252,030.02	80.57%	81,726	79.07%
Northern Ireland	£30,181,424.63	2.90%	3,674	3.55%
Scotland	£88,709,123.65	8.52%	8,878	8.59%
Wales	£83,524,421.21	8.02%	9,084	8.79%
Total	£1,041,666,999.51	100.00%	103,362	100.00%

Table 12: PCP Balloon Payment as % of PCP Origination Balance

PCP Balloon Amount / Loan Amount	Total					
	Min % (>=)	Max % (<)	Principal Outstanding Balance	% by Balance	Number of Agreements	% by Number
	0%	10%	£3,496,661.19	0.37%	490	0.58%
	10%	20%	£4,827,391.00	0.51%	911	1.08%
	20%	30%	£14,890,551.24	1.58%	1,830	2.18%
	30%	40%	£247,072,896.93	26.27%	24,322	28.94%
	40%	50%	£455,396,708.26	48.43%	38,242	45.51%
	50%	60%	£142,815,398.01	15.19%	11,959	14.23%
	60%	70%	£46,875,711.39	4.98%	3,998	4.76%
	70%	80%	£16,234,361.82	1.73%	1,483	1.76%
	80%	90%	£6,206,811.76	0.66%	575	0.68%
	90%	100%	£2,524,786.02	0.27%	223	0.27%
	Total		£940,341,277.62	100.00%	84,033	100.00%

PCP Balloon Amount / Loan Amount	New Vehicles					
	Min % (>=)	Max % (<)	Principal Outstanding Balance	% by Balance	Number of Agreements	% by Number
	0%	10%	£2,106,619.09	0.29%	292	0.49%
	10%	20%	£1,147,192.68	0.16%	183	0.31%
	20%	30%	£11,073,919.32	1.52%	1,243	2.08%
	30%	40%	£193,885,249.26	26.67%	18,070	30.23%
	40%	50%	£357,203,936.80	49.14%	27,808	46.51%
	50%	60%	£107,206,161.27	14.75%	8,066	13.49%
	60%	70%	£35,982,920.82	4.95%	2,685	4.49%
	70%	80%	£12,042,226.99	1.66%	946	1.58%
80%	90%	£4,437,618.86	0.61%	351	0.59%	
90%	100%	£1,786,198.74	0.25%	140	0.23%	
Total		£726,872,043.83	100.00%	59,784	100.00%	

PCP Balloon Amount / Loan Amount	Used Vehicles					
	Min % (>=)	Max % (<)	Principal Outstanding Balance	% by Balance	Number of Agreements	% by Number
	0%	10%	£1,390,042.10	0.65%	198	0.82%
	10%	20%	£3,680,198.32	1.72%	728	3.00%
	20%	30%	£3,816,631.92	1.79%	587	2.42%
	30%	40%	£53,187,647.67	24.92%	6,252	25.78%
	40%	50%	£98,192,771.46	46.00%	10,434	43.03%
	50%	60%	£35,609,236.74	16.68%	3,893	16.05%
	60%	70%	£10,892,790.57	5.10%	1,313	5.41%
	70%	80%	£4,192,134.83	1.96%	537	2.21%
80%	90%	£1,769,192.90	0.83%	224	0.92%	
90%	100%	£738,587.28	0.35%	83	0.34%	
Total		£213,469,233.79	100.00%	24,249	100.00%	

**Table 13: Borrower Type**

Total				
	Principal Outstanding Balance	% by Balance	Number of Agreements	% by Number
Limited plc	£20,816,210.97	2.00%	2,210	2.14%
Partnership	£1,453,195.43	0.14%	148	0.14%
Private Individual	£1,011,020,301.74	97.06%	100,116	96.86%
Sole Trader	£8,377,291.37	0.80%	888	0.86%
Total	£1,041,666,999.51	100.00%	103,362	100.00%

**Table 14: Contract Start Year**

Total				
Contract Start Year	Principal Outstanding Balance	% by Balance	Number of Agreements	% by Number
2016	£19,706.32	0.0%	33	0.0%
2017	£14,407,095.72	1.4%	3,261	3.2%
2018	£118,391,118.89	11.4%	16,535	16.0%
2019	£340,130,997.47	32.7%	35,952	34.8%
2020	£524,536,199.56	50.4%	44,063	42.6%
2021	£44,181,881.55	4.2%	3,518	3.4%
TOTAL	£1,041,666,999.51	100.0%	103,362	100.0%

**Table 15: Engine Type**

Total				
Engine Type	Principal Outstanding Balance	% by Balance	Number of Agreements	% by Number
Petrol	£771,639,657.39	74.1%	76,305	73.8%
Diesel	£210,451,725.80	20.2%	23,669	22.9%
Electric	£53,534,636.76	5.1%	2,888	2.8%
Hybrid	£2,596,072.34	0.2%	172	0.2%
Other	£3,444,907.22	0.3%	328	0.3%
TOTAL	£1,041,666,999.51	100.0%	103,362	100.0%

Table 16: Original Financing Amount

Original Financing Amount		Total			
Min	Max	Principal Outstanding Balance	% by Balance	Number of Agreements	% by Number
£0	£5,000	£6,192,828.42	0.6%	3,044	2.9%
£5,000	£10,000	£129,645,789.62	12.4%	23,962	23.2%
£10,000	£15,000	£316,995,901.12	30.4%	36,064	34.9%
£15,000	£20,000	£299,134,872.37	28.7%	23,607	22.8%
£20,000	£25,000	£229,151,803.86	22.0%	13,774	13.3%
£25,000	£30,000	£50,777,729.87	4.9%	2,555	2.5%
£30,000	£35,000	£6,839,941.52	0.7%	277	0.3%
£35,000	+	£2,928,132.73	0.3%	79	0.1%
Total		£1,041,666,999.51	100.0%	103,362	100.0%

Original Financing Amount		HP New Vehicles			
Min	Max	Principal Outstanding Balance	% by Balance	Number of Agreements	% by Number
£0	£5,000	£559,435.54	1.2%	288	4.1%
£5,000	£10,000	£7,491,931.59	16.6%	2,195	31.5%
£10,000	£15,000	£13,717,578.03	30.3%	2,409	34.6%
£15,000	£20,000	£14,353,950.39	31.7%	1,438	20.6%
£20,000	£25,000	£7,295,759.03	16.1%	530	7.6%
£25,000	£30,000	£1,477,439.03	3.3%	89	1.3%
£30,000	£35,000	£278,171.24	0.6%	12	0.2%
£35,000	+	£67,145.98	0.1%	3	0.0%
Total		£45,241,410.83	100.0%	6,964	100.0%

HP Used Vehicles					
Original Financing Amount		Principal Outstanding Balance	% by Balance	Number of Agreements	% by Number
Min	Max				
£0	£5,000	£5,015,947.60	8.9%	2,578	20.8%
£5,000	£10,000	£27,708,837.19	49.4%	6,688	54.1%
£10,000	£15,000	£18,120,165.51	32.3%	2,624	21.2%
£15,000	£20,000	£4,088,488.65	7.3%	403	3.3%
£20,000	£25,000	£841,824.78	1.5%	57	0.5%
£25,000	£30,000	£207,050.30	0.4%	10	0.1%
£30,000	£35,000	£0.00	0.0%	0	0.0%
£35,000	+	£101,997.03	0.2%	5	0.0%
Total		£56,084,311.06	100.0%	12,365	100.0%

PCP New Vehicles					
Original Financing Amount		Principal Outstanding Balance	% by Balance	Number of Agreements	% by Number
Min	Max				
£0	£5,000	£59,924.75	0.0%	15	0.0%
£5,000	£10,000	£33,927,526.47	4.7%	5,496	9.2%
£10,000	£15,000	£184,171,287.43	25.3%	20,301	34.0%
£15,000	£20,000	£236,610,099.60	32.6%	18,398	30.8%
£20,000	£25,000	£214,926,675.90	29.6%	12,830	21.5%
£25,000	£30,000	£48,376,787.57	6.7%	2,423	4.1%
£30,000	£35,000	£6,340,124.66	0.9%	257	0.4%
£35,000	+	£2,459,617.45	0.3%	64	0.1%
Total		£726,872,043.83	100.0%	59,784	100.0%

PCP Used Vehicles					
Original Financing Amount		Principal Outstanding Balance	% by Balance	Number of Agreements	% by Number
Min	Max				
£0	£5,000	£557,520.53	0.3%	163	0.7%
£5,000	£10,000	£60,517,494.37	28.3%	9,583	39.5%
£10,000	£15,000	£100,986,870.15	47.3%	10,730	44.2%
£15,000	£20,000	£44,082,333.73	20.7%	3,368	13.9%
£20,000	£25,000	£6,087,544.15	2.9%	357	1.5%
£25,000	£30,000	£716,452.97	0.3%	33	0.1%
£30,000	£35,000	£221,645.62	0.1%	8	0.0%
£35,000	+	£299,372.27	0.1%	7	0.0%
Total		£213,469,233.79	100.0%	24,249	100.0%



**Run Out Schedule**

The amortisation scenario below is based on the assumption that no losses, prepayments or delinquencies occur.

It should be noted that the actual amortisation of the Transferred Receivables may differ substantially from the amortisation scenario indicated below.

<b>Period</b>	<b>Total Principal Outstanding Balance</b>	<b>Total Principal Outstanding Balance in %</b>
0	1,041,666,999.51	100.00%
1	1,023,412,902.47	98.25%
2	1,001,180,002.57	96.11%
3	976,770,174.80	93.77%
4	953,375,765.45	91.52%
5	929,405,415.64	89.22%
6	906,903,764.27	87.06%
7	882,712,469.93	84.74%
8	853,480,010.08	81.93%
9	826,651,415.79	79.36%
10	803,692,774.55	77.15%
11	780,358,045.54	74.91%
12	756,409,922.46	72.62%
13	731,609,159.40	70.23%
14	701,268,963.04	67.32%
15	673,683,856.85	64.67%
16	647,872,798.88	62.20%
17	623,076,284.58	59.82%
18	600,137,586.17	57.61%
19	571,964,636.09	54.91%
20	534,701,812.87	51.33%
21	505,048,914.19	48.48%
22	482,547,729.71	46.32%
23	455,981,459.21	43.77%
24	427,217,426.60	41.01%
25	403,690,735.89	38.75%
26	369,643,988.03	35.49%
27	338,476,100.30	32.49%
28	315,192,258.30	30.26%
29	292,173,870.35	28.05%
30	271,693,842.97	26.08%
31	246,934,654.31	23.71%
32	215,613,567.11	20.70%
33	203,205,327.67	19.51%
34	195,759,124.34	18.79%
35	177,223,217.38	17.01%
36	150,807,436.29	14.48%
37	126,129,149.56	12.11%
38	93,066,559.78	8.93%
39	62,837,027.17	6.03%

40	42,567,288.14	4.09%
41	24,931,112.90	2.39%
42	13,580,485.97	1.30%
43	5,428,535.73	0.52%
44	3,175,132.54	0.30%
45	2,499,647.21	0.24%
46	1,924,791.55	0.18%
47	1,426,939.73	0.14%
48	1,012,043.29	0.10%
49	669,102.51	0.06%
50	411,133.12	0.04%
51	228,931.59	0.02%
52	111,985.95	0.01%
53	39,398.78	0.00%
54	9,972.75	0.00%
55	2,960.81	0.00%
56	362.13	0.00%
57	-	0.00%
58	-	0.00%
59	-	0.00%
60	-	0.00%

### **Historical performance data**

The historical performance data set out hereafter relate to the portfolio of auto Receivables granted by the Seller to Obligors.

In each of the tables below, "Q1" refers to the period from 1 January to 31 March, "Q2" refers to the period from 1 April to 30 June, "Q3" refers to the period from 1 July to 30 September and "Q4" refers to the period from 1 October to 31 December.

The tables below were prepared on the basis of the internal records of the Seller.

The recoveries below concern the amounts recovered following all the hostile terminations and a voluntary termination considered as defaulted by RCI FS.

There can be no assurance that the future experience and performance of the Transferred Receivables will be similar to the historical performance set out in the tables below.



































Delinquencies breakdown by days past due bucket

**Unpays as % of total portfolio outstanding**

Quarter	No. of Days Past Due				Total Past Due
	1-30	31-60	61-90	90+	
Q1 - 2018	0.53%	0.29%	0.12%	0.67%	1.61%
Q2 - 2018	0.44%	0.23%	0.13%	0.72%	1.53%
Q3 - 2018	0.45%	0.24%	0.10%	0.77%	1.56%
Q4 - 2018	0.52%	0.20%	0.10%	0.72%	1.53%
Q1 - 2019	0.41%	0.19%	0.09%	0.72%	1.41%
Q2 - 2019	0.50%	0.20%	0.09%	0.72%	1.51%
Q3 - 2019	0.40%	0.15%	0.10%	0.87%	1.53%
Q4 - 2019	0.42%	0.13%	0.06%	0.74%	1.36%
Q1 - 2020	0.62%	0.18%	0.08%	0.75%	1.62%
Q2 - 2020	1.00%	0.52%	0.56%	1.01%	3.09%
Q3 - 2020	0.33%	0.15%	0.08%	0.93%	1.48%
Q4 - 2020	0.34%	0.13%	0.07%	0.78%	1.31%
Q1 - 2021	0.32%	0.11%	0.05%	0.70%	1.18%
Q2 - 2021	0.28%	0.12%	0.06%	0.62%	1.07%

Prepayments

Prepayments in a current quarter compared to the outstanding balance of the portfolio in the same quarter

<b>Quarter</b>	<b>Annualised Prepayment Rate</b>
Q1 - 2014	9.22%
Q2 - 2014	2.74%
Q3 - 2014	4.83%
Q4 - 2014	9.76%
Q1 - 2015	15.72%
Q2 - 2015	14.87%
Q3 - 2015	16.25%
Q4 - 2015	14.42%
Q1 - 2016	17.17%
Q2 - 2016	16.70%
Q3 - 2016	17.54%
Q4 - 2016	15.13%
Q1 - 2017	19.61%
Q2 - 2017	15.79%
Q3 - 2017	16.66%
Q4 - 2017	15.12%
Q1 - 2018	22.36%
Q2 - 2018	19.67%
Q3 - 2018	20.94%
Q4 - 2018	18.82%
Q1 - 2019	22.52%
Q2 - 2019	19.39%
Q3 - 2019	19.06%
Q4 - 2019	16.53%
Q1 - 2020	23.59%
Q2 - 2020	13.26%
Q3 - 2020	26.04%
Q4 - 2020	18.01%
Q1 - 2021	21.64%
Q2 - 2021	21.08%

## ESTIMATED WEIGHTED AVERAGE LIFE OF NOTES AND ASSUMPTIONS

The concept of "Weighted Average Life of the Notes" (the "**WAL**") refers to the expected average amount of time that will elapse from the Issue Date to the date of repayment of the Note Principal Amount Outstanding of the Notes to the Noteholders.

The Weighted Average Life of the Notes will be influenced by, among other things, the actual rate of repayment of the Transferred Receivables. This rate of repayment may itself be influenced by economic, tax, legal, social and other factors such as changes in the value of the financed Vehicles or the level of Note Interest Rates from time to time. For example, if prevailing Note Interest Rates fall below the Note Interest Rates on the Transferred Receivables, then the Transferred Receivables are likely to be subject to higher prepayment rates than if prevailing Note Interest Rates remain at or above the Note Interest Rates on the Transferred Receivables. In addition, the Seller may not be able to originate sufficient Eligible Receivables during the Revolving Period to replace all of the Transferred Receivables having been prepaid. Conversely, a lower than the expected prepayment rate will result in the Weighted Average Life of the Notes being longer than as projected by the model in the base case scenario.

The model used for the purpose of calculating estimates presented in this Base Prospectus employs one component, being an assumed constant per annum rate of prepayment (the "**CPR**").

The CPR is an assumed annual constant rate of payment of principal not anticipated by the scheduled amortisation of the Portfolio which, when applied monthly, results in the expected portfolio of the Transferred Receivables balance and allows to calculate the monthly prepayment.

The model does not purport to be either an historical description of the prepayment experience, default experience, recovery experience or growth experience of any pool of loans nor a prediction of the expected rate of prepayment or of default or of recovery or of growth of any portfolio, including the portfolio of Transferred Receivables.

The tables below were prepared based on the characteristics of the portfolio as of the Initial Cut-Off Date and the following additional assumptions (the "**Modelling Assumptions**"):

- (a) each repayment of principal under the Transferred Receivables takes place only on the scheduled Payment Dates;
- (b) the Payment Dates are assumed to be the 20th of each month;
- (c) the Transferred Receivables are fully performing and no delinquencies nor defaults occur;
- (d) the contractual amortisation schedule of the pool of Transferred Receivables as of 31 August 2021 is as disclosed in the section "PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA";
- (e) the relative contractual amortisation schedule of each pool of additional Eligible Receivables transferred to the Issuer on each Payment Date of the Revolving Period has the same relative contractual amortisation schedule as that of 31 August 2021;
- (f) no Transferred Receivables are repurchased by the Seller;
- (g) the Class A Notes start to amortise on the Revolving Period Scheduled End Date and no Revolving Period Early Termination Event has occurred;
- (h) the Initial Issue Date is assumed to be on the 7 October 2021;
- (i) all amounts credited to the Revolving Account are applied to purchase additional Eligible Receivables, so the aggregate discounted balance of the Transferred Receivables remains equal to the aggregate discounted balance as of the Initial Issue Date during the Revolving Period;

- (j) the Clean Up call will be exercised; and
- (k) the WAL is estimated based on 30/360 day count fraction basis.

The actual characteristics and performance of the Transferred Receivables are likely to differ from the assumptions used in constructing the tables set forth below. Those tables are purely indicative and provided only to give a general sense of how the principal cash flows might behave under varying scenario (e.g., it is not expected that the Transferred Receivables will prepay at a constant rate until maturity). Furthermore, it is not expected that all of the Transferred Receivables will prepay at the same rate, that the Transferred Receivables will be fully performing, or that the composition of the portfolio of Transferred Receivables will remain similar to the composition of the portfolio consisting of the Eligible Receivables existing as at the Initial Cut-Off Date.

Any difference between such assumptions and the actual characteristics and performance of the Transferred Receivables will cause the Weighted Average Lives of the Notes to differ (which difference could be material) from the corresponding information in the tables. The approximate average lives and expected maturity dates of the Notes, based on the Modelling Assumptions, at the following assumed levels of CPR would be as follows:

**Weighted Average Life Table of the Class A Notes**

<b>Class A Notes</b>	
<b>CPR (%)</b>	<b>Weighted Average Life (in years)</b>
0	4.77
5	4.73
10	4.69
15	4.66
20	4.62
25	4.59

**Weighted Average Life Table of the Class B Notes**

<b>Class B Notes</b>	
<b>CPR (%)</b>	<b>Weighted Average Life (in years)</b>
0	6.13
5	6.10
10	6.03
15	5.96
20	5.92
25	5.85

## THE ISSUER

### 1. INTRODUCTION

Cars Alliance UK Master Plc (the "**Issuer**") was incorporated in England and Wales under the Companies Act 2006 on 10 May 2021 (registered number 13384308) as a public company with limited liability under the Companies Act 2006 (as amended). The Issuer was established as a special purpose vehicle for the purposes of issuing the Notes. The registered office of the Issuer is 1 Bartholomew Lane, London, EC2N 2AX, United Kingdom, telephone +44 (0)20 7398 6300. The issued share capital of the Issuer is 50,000 ordinary shares of £1, of which one share is fully paid and 49,999 shares are quarter-paid, and all shares are held by Holdings. The Issuer is legally and beneficially owned and controlled directly by Holdings. The rights of Holdings as a shareholder in the Issuer are contained in the articles of association of the Issuer and the Issuer will be managed in accordance with those articles and with the provisions of Companies Act 2006, as amended. The Seller does not own directly or indirectly any of the share capital of Holdings or the Issuer. The Issuer has no subsidiaries.

### 2. PRINCIPAL ACTIVITIES

The Issuer is permitted, pursuant to the terms of its articles of association, *inter alia*, to issue the Notes and to acquire the Transferred Receivables and the Ancillary Rights.

The Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation, the authorisation and issue of the Notes and of the other documents and matters referred to or contemplated in this Base Prospectus to which it is or will be a party and matters which are incidental or ancillary to the foregoing.

There is no intention to accumulate surpluses in the Issuer (other than amounts standing to the credit of the General Reserve Account and recorded in the Issuer Profit Ledger).

The Issuer will covenant to observe certain restrictions on its activities which are set out in Condition 3 (*Covenants*).

### 3. DIRECTORS AND COMPANY SECRETARY

The directors of the Issuer and their respective business addresses and other principal activities are:

<b>Director</b>			<b>Business address</b>	<b>Principal activities outside the Issuer</b>
Intertrust Limited	Directors	1	1 Bartholomew Lane, London, EC2N 2AX, United Kingdom	Corporate director
Intertrust Limited	Directors	2	1 Bartholomew Lane, London, EC2N 2AX, United Kingdom	Corporate director
Paivi Helena Whitaker			1 Bartholomew Lane, London, EC2N 2AX, United Kingdom	Director

The company secretary of the Issuer is Intertrust Corporate Services Limited.

As at the date hereof, the Issuer has no employees, non-executive directors or premises.

The Directors of Intertrust Directors 1 Limited and Intertrust Directors 2 Limited and their business addresses and principal activities are as follows:

<b>Director</b>	<b>Business address</b>	<b>Principal activities</b>
Paivi Helena Whitaker	1 Bartholomew Lane, London, EC2N 2AX, United Kingdom	Director
Wenda Margaretha Adriaanse	1 Bartholomew Lane, London, EC2N 2AX, United Kingdom	Director
Ian Hancock	1 Bartholomew Lane, London, EC2N 2AX, United Kingdom	Director
Daniel Marc Richard Jaffe	1 Bartholomew Lane, London, EC2N 2AX, United Kingdom	Director

#### **4. CAPITALISATION STATEMENT**

The following table shows the capitalisation of the Issuer as at the date of this Base Prospectus:

##### **Share capital**

Authorised and issued:

50,000 ordinary shares of £1 each, 49,999 issued and paid up as to £0.25 and one issued fully paid share.

£12,500.75 paid.

The accounting reference date of the Issuer is 31 December.

*The Notes will be obligations of the Issuer only and will not be guaranteed by, or be the responsibility of Seller or any other person or entity. It should be noted, in particular, that the Notes will not be obligations of, and will not be guaranteed by the Transaction Parties, the Arranger or any of their respective affiliates.*



## HOLDINGS

### 1. INTRODUCTION

Cars Alliance UK Master Holdings Limited ("**Holdings**") was incorporated in England and Wales under the Companies Act 2006 on 22 April 2021 (registered number 13352523) as a private company with limited liability under the Companies Act 2006 (as amended). The registered office of Holdings is at 1 Bartholomew Lane, London, EC2N 2AX, United Kingdom, telephone +44 (0)20 7398 6300. The share capital of Holdings is one ordinary share of £1 which is issued and is credited as fully paid. The entire issued share capital of Holdings is held on trust for discretionary purposes by Intertrust Corporate Services Limited under the terms of a declaration of trust dated 7 September 2021.

### 2. PRINCIPAL ACTIVITIES OF HOLDINGS

Pursuant to the terms of its articles of association, Holdings is permitted, *inter alia*, to hold shares in the Issuer. Holdings has not engaged, since its incorporation, in any activities other than those incidental to its incorporation and those matters referred to or contemplated in this Base Prospectus and any matters which are incidental or ancillary to the foregoing.

### 3. DIRECTORS AND COMPANY SECRETARY OF HOLDINGS

The directors of Holdings and their respective business addresses and other principal activities are:

<b>Director</b>	<b>Business address</b>	<b>Principal activities outside the Issuer</b>
Intertrust Limited Directors	1 1 Bartholomew Lane, London, EC2N 2AX, United Kingdom	Corporate director
Intertrust Limited Directors	2 1 Bartholomew Lane, London, EC2N 2AX, United Kingdom	Corporate director
Paivi Helena Whitaker	1 Bartholomew Lane, London, EC2N 2AX, United Kingdom	Director

The company secretary of Holdings is Intertrust Corporate Services Limited.

As at the date hereof, Holdings has no employees, non-executive directors or premises.

The Directors of Intertrust Directors 1 Limited and Intertrust Directors 2 Limited and their business addresses and principal activities are as described in the section "*The Issuer*" above.

## THE SELLER AND THE SERVICER

### Company history

RCI Financial Services Limited (“**RCI FS**”) is a limited liability company registered, incorporated and domiciled in England and Wales. The address of the company's registered office is Rivers Office Park, Denham Way, Maple Cross, Rickmansworth, WD3 9YS.

RCI FS is authorised and regulated by the Financial Conduct Authority to undertake consumer credit activities and appears on the Financial Services Register under Firm Reference Number 312330.

The Company is wholly owned by RCI Bank UK Limited which is itself wholly owned by RCI Banque SA, incorporated in France as part of the group headed by Renault SA. RCI Bank UK became the parent company following the acquisition of RCI FS on 6 March 2019, following it being granted its UK banking license, from RCI Banque SA. There are many benefits to RCI FS as a result of this change in structure in becoming a subsidiary of a UK bank. It now falls under the governance umbrella of the UK bank, including the Board Risk and Audit Committees and Internal Audit function which evaluate the key risks and uncertainties of both RCI Bank UK and RCI FS. As part of the consolidated RCI UK group RCI FS now also falls under the oversight of the Prudential Regulation Authority (the “**PRA**”).

RCI FS supports Renault and Nissan (the “**Alliance**”) in the distribution of their new vehicles in the UK by providing financing options to retail and business customers for the purchase of Renault, Dacia, Alpine, and Nissan vehicles, mainly through their dealer network. The retail product range includes hire purchase, personal contract purchase (PCP), contract hire as well as other car and loan-related services. RCI FS also supports the Alliance brand dealers across over 300 dealer sites around the UK by financing inventories of new vehicles, used vehicles and spare parts.

### Company overview

As at 31 December 2020, the funding resources mainly consist of term loans granted by the parent company RCI Bank UK (£2.55 billion) and funding through a private securitisation transaction (£800m). RCI Bank UK raises deposits from private individuals at varying terms from on demand to 5 years (circa £3bn). RCI FS also has had a private Securitisation in place since 2009 enabling it to diversify its funding sources. RCI FS also had £106m of share capital and £247m of retained earnings on its balance sheet as at 31 December 2020.

As at 31 December 2020, the level of commercial assets that include the loans and advances to customers (including HP and PCP products), battery leases and other operating leases assets originated by RCI FS reached £3.685 million. During 2020, RCI FS financed a total 100,663 new and used vehicle contracts corresponding to new financings of £1.361 million.

### Operations

RCI FS is well experienced, with significant expertise in the origination and servicing of loans which are of a similar nature to any Transferred Receivable. As a result of its long-standing operations, a risk management framework is embedded within RCI FS which provides support for a range of well-documented policies and procedures, controlled via a Risk and Control Self-Assessment framework. A description on some of the key sections of the business can be found below.

#### Origination/Underwriting

- 99.9% of proposals are received via an online Web Service transmitted by Alliance dealers
- Proposals pass through a credit scoring system allowing for a monitored level of auto-acceptance.
- Scoring system uses pre-defined criteria and policy rules in addition to external credit reference agency data.
- Referrals are handled by a team of experienced underwriters who work to monetary approval limits.
- Where electronic signatures are not used, documents are printed, signed and scanned into the system.
- All dealer funding is manually underwritten by an experienced team of underwriters supported by a bespoke RCI business scorecard.

#### Customer Services

- A team available to respond to customer enquiries by telephone or email.
- Dedicated team deals with all aspects of returning vehicles whether this is PCP agreements reaching maturity or a Voluntary Termination Event.
- A customer solutions department is responsible for ensuring that those agreements which fall into arrears are identified immediately and that the customer is made aware that the arrears are outstanding.

#### Sales and Marketing

- Sales team promotes a range of finance products and services for new retail, fleet and Used Vehicles and the active development of strong commercial relationships with the network partners, to increase and maintain network loyalty to RCI.
- Sales team also handles the development and deployment of a comprehensive dealer network training programme to build basic & specialist skill sets and ensure regulatory compliance.
- The marketing team handles sales promotion for Renault and Nissan through the development of market-oriented products, terms and conditions, as well as campaigns in continuous dialogue with the manufacturers.
- Sales also conduct studies of end customers and dealers, seeking to develop further products and services.

The following areas are shared across RCI FS and its parent RCI Bank UK:

#### Risk Management

- Primary objective to ensure that the outcome of risk-taking activity is consistent with the strategies and risk appetite and, as per regulatory guidance, appropriate for the level and type of risks that RCI UK takes.
- Incorporated within an Enterprise Risk Management Framework (ERMF) setting out the methods of managing risks.
- The UK operations operate under a "Three Lines of Defence" model, with a dedicated second line Risk Management Department overseeing the framework.
- Good governance is a core principal for RCI in the UK which adheres to the various governance standards and has a strong board which includes 3 experienced non-executive directors..
- The third line (Internal Audit) is outsourced under contract to Grant Thornton.

#### Finance

- Consists of a Financial Reporting, Financial Controlling and Treasury and ALM team.
- Further teams focus on Deposit Savings and Regulatory Reporting.

### **THE NOTE TRUSTEE AND SECURITY TRUSTEE**

No later than the Initial Issue Date the Issuer will appoint HSBC Corporate Trustee Company (UK) Limited as the Note Trustee and the Security Trustee.

HSBC Corporate Trustee Company (UK) Limited was incorporated with limited liability in England and Wales on 7th December, 2007, with a company number 6447555. Its fully paid share capital totals £100,000. Its ultimate holding company is HSBC Holdings PLC, which is incorporated in England.

The information in the preceding paragraph has been provided by HSBC Corporate Trustee Company (UK) Limited for use in this Base Prospectus and HSBC Corporate Trustee Company (UK) Limited is solely responsible for the accuracy of the preceding paragraph, provided that, with respect to any information included herein and specified to be sourced from HSBC Corporate Trustee Company (UK) Limited (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the above information available to it from HSBC Corporate Trustee Company (UK) Limited, no facts have been omitted, the omission would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy hereof. Except for the foregoing paragraph, HSBC Corporate Trustee Company (UK) Limited, in its capacity as Note Trustee and as Security Trustee and its affiliates have not been involved in the preparation of and does not accept responsibility for, this Base Prospectus.

### THE CORPORATE SERVICES PROVIDER

Pursuant to the Corporate Services Agreement, the Issuer and Holdings have appointed Intertrust Management Limited as corporate services provider (the "**Corporate Services Provider**") to provide management, secretarial and administrative services to each of them, including the provision of directors. It is not in any manner associated with RCI Financial Services Ltd.

Intertrust Management Limited has served and is currently serving as corporate services provider for numerous securitisation transactions and programmes.

The information in the preceding paragraph has been provided by Intertrust Management Limited for use in this Base Prospectus and Intertrust Management Limited is solely responsible for the accuracy of the preceding paragraph, provided that, with respect to any information included herein and specified to be sourced from the Corporate Services Provider (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the above information available to it from the Corporate Services Provider, no facts have been omitted, the omission would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy hereof. Except for the preceding paragraph, Intertrust Management Limited in its capacity as Corporate Services Provider, and its affiliates have not been involved in the preparation of, and does not accept responsibility for, this Base Prospectus.

## THE ACCOUNT BANK

No later than the Initial Issue Date, the Issuer will appoint Lloyds Bank plc ("**Lloyds Bank**") as Account Bank. See "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Bank Account Agreement*".

Lloyds Bank was incorporated under the laws of England and Wales on April 20, 1865 (registration number 2065). Lloyds Bank's registered office is at 25 Gresham Street, London EC2V 7HN, United Kingdom. Lloyds Bank is authorised by the Prudential Regulation Authority ("**PRA**") and regulated by the Financial Conduct Authority ("**FCA**") and the PRA. Lloyds Bank (together with its subsidiary and associated undertakings, "**Lloyds Bank Group**") is a wholly owned subsidiary of Lloyds Banking Group plc.

Lloyds Bank Group provides a wide range of banking and financial services in the UK and in certain locations overseas. As at 30 June 2021, Lloyds Bank Group's activities were organised into two financial reporting segments: Retail and Commercial Banking.

Retail offers a broad range of financial service products, including current accounts, savings, mortgages, motor finance and unsecured consumer lending to personal and small business customers.

Commercial Banking provides clients with a range of products and services such as lending, transaction banking, working capital management, risk management and debt capital markets services to SMEs, corporates and financial institutions.

Additional information on Lloyds Bank Group is available from Investor Relations, Lloyds Banking Group, 25 Gresham Street, London EC2V 7HN or from the following internet website address: <http://www.lloydsbankinggroup.com>. The information on this website does not form part of this Base Prospectus.

The information in the preceding five paragraphs has been provided by Lloyds Bank for use in this Base Prospectus and Lloyds Bank is solely responsible for the accuracy of the preceding five paragraphs, provided that, with respect to any information included herein and specified to be sourced from Lloyds Bank (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the above information available to it from Lloyds Bank no facts have been omitted, the omission would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy hereof. Except for the preceding five paragraphs, Lloyds Bank, in its capacity as Account Bank has not been involved in the preparation of and does not accept responsibility for, this Base Prospectus.

## THE REGISTRAR AND PAYING AGENT

No later than the Initial Issue Date, the Issuer will appoint HSBC Bank plc as Registrar and Paying Agent. See "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Agency Agreement*".

HSBC Bank plc and its subsidiaries form a group providing a range of banking products and services.

HSBC Bank plc (formerly Midland Bank plc) was formed in England in 1836 and subsequently incorporated as a company limited by shares in 1880. In 1923, the company adopted the name Midland Bank Limited, which it held until 1982 when it re-registered as a public limited company 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.

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. As at the date of this Prospectus, the HSBC Group serves customers worldwide across 64 countries and territories. With assets of \$2,976 billion at 30 June 2021, HSBC is one of the world's largest banking and financial services organisations.

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 A1 by Moody's and A+ 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.

The information in the preceding five paragraphs has been provided by HSBC Bank plc for use in this Base Prospectus and HSBC Bank plc is solely responsible for the accuracy of the preceding five paragraphs, provided that, with respect to any information included herein and specified to be sourced from HSBC Bank plc (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the above information available to it from HSBC Bank plc no facts have been omitted, the omission would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy hereof. Except for the preceding five paragraphs, HSBC Bank plc, in its capacity as Registrar and Paying Agent has not been involved in the preparation of and does not accept responsibility for, this Base Prospectus.

## THE CASH MANAGER

No later than the Initial Issue Date, the Issuer will appoint Eurotitrisation S.A. as Cash Manager. See "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Cash Management Agreement*".

Eurotitrisation, a French *société anonyme*, whose registered office is located at Immeuble Le Spallis, 12 rue James Watt, 93200 Saint-Denis, France, registered with the Trade and Companies Registry (*Registre du commerce et des sociétés*) of Bobigny (France) under number 352 458 368, licensed and supervised by the *Autorité des Marchés Financiers* as a *société de gestion de portefeuille* (portfolio management company) under number GP 14000029, has served and is currently serving as cash manager for numerous securitisation transactions and programmes.

The information in the preceding paragraph has been provided by Eurotitrisation S.A for use in this Base Prospectus and Eurotitrisation S.A is solely responsible for the accuracy of the preceding paragraph, provided that, with respect to any information included herein and specified to be sourced from Eurotitrisation S.A (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the above information available to it from Eurotitrisation S.A no facts have been omitted, the omission would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy hereof. Except for the preceding paragraph, Eurotitrisation S.A, in its capacity as Cash Manager has not been involved in the preparation of and does not accept responsibility for, this Base Prospectus.



## TAXATION

The following information is a general discussion only of the United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom Tax purposes) in respect of the Notes. This discussion does not consider any specific facts or circumstances that may apply to a particular holder or prospective holder. This overview is based on the laws of England and Wales and published HM Revenue and Customs practice currently in force and as applied at the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

The following information is not intended as tax or legal advice and the comments below are of a general nature only. It should be read in conjunction with the section entitled "*RISK FACTORS*". Potential investors in the Notes are urged to satisfy themselves as to the overall tax consequences of purchasing, holding and/or selling the Notes and, therefore, to consult their professional tax advisors.

### ***Withholding tax on the Notes***

Interest on the Class A Notes will be payable without withholding or deduction for or on account of United Kingdom income tax provided that the Class A Notes are and remain listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 or the "Income Tax Act". Euronext Dublin is currently so recognised and provided that the Class A Notes are and remain officially listed in the Republic of Ireland in accordance with provisions corresponding to those generally applicable in EEA states, are admitted to trading on the main market of Euronext Dublin and Euronext Dublin continues to be a "recognised stock exchange" for the purposes of section 1005 of the Income Tax Act, the interest on the Class A Notes will be payable without withholding or deduction for or on account of United Kingdom income tax.

If the Class A Notes cease to be listed on a "recognised stock exchange", an amount must be withheld for or on account of United Kingdom income tax at the basic rate, currently 20%, from interest paid on them, subject to (i) any direction to the contrary from HM Revenue and Customs in respect of such relief as may be available pursuant to the provisions of an applicable double taxation treaty, or (ii) certain other exceptions including the interest being paid to the persons (including companies within the charge to United Kingdom corporation tax) and in the circumstances stated in sections 930 to 938 of the Income Tax Act and, potentially, under section 888A of the Income Tax Act and the Qualifying Private Placement Regulations 2015..

Interest on the Class B Notes will be payable with withholding or deduction for or on account of United Kingdom income tax subject to (i) any direction to the contrary from HM Revenue and Customs in respect of such relief as may be available pursuant to the provisions of an applicable double taxation treaty, or (ii) certain other exceptions including the interest being paid to the persons (including companies within the charge to United Kingdom corporation tax) and in the circumstances stated in sections 930 to 938 of the Income Tax Act and, potentially, under section 888A of the Income Tax Act and the Qualifying Private Placement Regulations 2015.

In the event any such withholding or deduction would be required for payments on the Notes, under the terms and conditions of the Notes no person will be required to pay additional amounts as a result of the withholding or deduction.

### ***U.S. Foreign Account Tax Compliance Act***

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes.

A number of jurisdictions (including the United Kingdom) have entered into, or agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of the IGAs as currently in effect,

a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register, and 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 prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for the purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding. However, if additional Notes that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Noteholders should consult their own tax advisers in relation to the way in which these rules may apply to their investment in the Notes.

## SUBSCRIPTION AND SALE

### ***Subscription and Sale***

Each of Note Purchasers has entered into the Note Purchase Agreement with the Issuer. Each Note Purchaser has agreed to comply with the selling restrictions set out below.

The issuance of the Notes is not designed to comply with the U.S. Risk Retention Rules other than the exemption under Section 17C.20 of the U.S. Risk Retention Rules. "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, adopted pursuant to the requirements of Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The Notes at all times may not, without the prior consent of the Seller, 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"). 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 represent and agree that: (1) it is not a Risk Retention U.S. Person (2) it is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) it 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 sold to, or for the account or benefit of, U.S. persons except (i) pursuant to an exemption from, or in a transaction not subject to the registration requirements of, the Securities Act and (ii) in accordance with an exemption from the U.S. Risk Retention Rules.

### ***Selling Restrictions***

#### ***General***

All applicable laws and regulations must be observed in any jurisdiction in which the Notes may be offered, sold or delivered, to the best of each Note Purchaser's knowledge and belief (subject that each Note Purchaser shall have no liability to the Issuer or RCI Financial Services Ltd in respect of any non-observance of the U.S. Risk Retention Rules by the Issuer or RCI Financial Services Ltd or any other person). Each Note Purchaser has agreed that it will not, directly or indirectly, offer, sell or deliver any of the Notes or distribute the Base Prospectus or any other offering material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations of such jurisdiction, to the best of each Note Purchaser's knowledge and belief, and that it will not impose any obligations on the Issuer except as set out in the Note Purchase Agreement.

Notwithstanding the foregoing, the Note Purchasers will not have any liability to the Issuer or the Seller for compliance with the U.S. Risk Retention Rules by the Issuer or the Seller or any other person except to the extent as set out in the Note Purchase Agreement.

#### ***United States of America and its Territories***

Each Note Purchaser has represented and agreed, and each further Note Purchaser appointed under the Programme will be required to represent and agree, that:

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any U.S. state securities law. The Class A Notes may not be offered, or sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws and under circumstances designed to preclude the Issuer from having to register under the Investment Company Act. Each of the Note Purchasers represents and agrees that it has not offered or sold or delivered the Class A Notes, and will not offer or

sell the Class A Notes (i) as part of its distribution at any time or (ii) otherwise until forty (40) calendar days after the later of (a) the date the Class A Notes are first offered to Persons other than distributors in reliance on Regulation S and (b) the Further Issue Date, except, in either case, only in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act. Neither the Note Purchasers nor their respective affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act) nor any Persons acting on their behalf have engaged or will engage in any directed selling efforts with respect to the Class A Notes, and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. At or prior to confirmation of sale of Class A Notes, the respective Note Purchaser or any other person acting as distributor will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Class A Notes from them during the distribution compliance period (as defined in Regulation S) a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until forty (40) calendar days after the later of (a) the date the Notes are first offered to Persons other than distributors in reliance on Regulation S and (b) the Initial Issue Date, except in either case, in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them in Regulation S under the Securities Act".

Terms used in this section have the meaning given to them in Regulation S under the Securities Act and as used in this paragraph "U.S. Person" means a U.S. person within the meaning of Regulation S.

The Class A Notes may not be offered, or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to the registration requirements of, the Securities Act.

Each of the Note Purchasers represents and agrees that it has not offered or sold or delivered the Class B Notes, and will not offer or sell the Class B Notes in the United States or to U.S. Persons.

#### ***United Kingdom***

Each Note Purchaser has represented and agreed, and each further Note Purchaser appointed under the Programme will be required to represent and agree, that:

- (a) it has 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) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

#### ***Republic of France***

Each Note Purchaser has represented and agreed, and each further Note Purchaser appointed under the Programme will be required to represent and agree, that (i) it has only offered, sold or otherwise transferred and will only offer, sell or otherwise transfer, directly or indirectly, the Notes to the public in the Republic of France pursuant to an exemption under Article 1(4) of the Prospectus Regulation and that such offers, sales and transfers in France have been and will be made only to qualified investors (*investisseurs qualifiés*) (with the exception of individuals) as defined in Article 2(e) of the Prospectus Regulation and Article L. 411-2 1° of the French Monetary and Financial Code and that (ii) it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus or any other offering material relating to the Notes other than to investors to whom offers and sales of Notes in France may be made as described above.

## Germany

Each Note Purchaser has represented and agreed, and each further Note Purchaser appointed under the Programme will be required to represent and agree that the Notes have not been and will not be offered or sold or publicly promoted or advertised by it in Germany other than in compliance with the provisions of the German Asset Investment Act (*Vermögensanlagengesetz*), or of any other laws applicable in Germany governing the issue, offering and sale of securities.

### **Prohibition of Sales to EEA Retail Investors**

Each Note Purchaser has represented and agreed, and each further Note Purchaser appointed under the Programme will be required to represent and agree, that it will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto 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 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

### **Prohibition of Sales to UK Retail Investors**

Each Note Purchaser has represented and agreed, and each further Note Purchaser appointed under the Programme will be required to represent and agree, that it will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. 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 (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the United Kingdom by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom by virtue of the EUWA; and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

### **USE OF PROCEEDS**

The aggregate gross proceeds from the issue of the Notes will be used to purchase the First Transferred Receivables from RCI Financial Services Ltd, against payment of the Initial Purchase Price.

The aggregate gross proceeds from the issuance of any Further Notes during the Revolving Period and will be used to finance the purchase by the Issuer of Additional Receivables arising against Obligors under Finance Agreements for the acquisition of Vehicles granted to such Obligors by RCI Financial Services Ltd pursuant to the terms and under the conditions of the Master Receivables Transfer Agreement and/or for the redemption of existing Series of Notes in accordance with the terms and conditions of the Notes.

## GENERAL INFORMATION

### 1. Subject of this Base Prospectus

The Programme is a GBP 1,600,000,000 Programme for the issuance of Notes under which the Issuer may from time to time issue asset backed floating rate notes denominated in GBP (subject always to compliance with all legal and/or regulatory requirements). The applicable terms to any Notes will be agreed between the Issuer and the relevant purchaser prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes attached to, or incorporated by reference into, the relevant Global Note or Definitive Note (as applicable) representing such Notes, as completed by the applicable Final Terms attached to, or incorporated by reference into, such Global Note or Definitive Note (as applicable).

The registered office of the Issuer is 1 Bartholomew Lane, London, EC2N 2AX, United Kingdom.

### 2. Authorisation

The issue of the Notes to be issued under the Programme on the Initial Issue Date was authorised by a resolution of the board of directors of Cars Alliance Master UK Plc, passed on 27 September 2021.

### 3. Litigation

The Issuer is not, or has not been since its incorporation, or – during the period covering at least the previous 12 months – has not been, engaged in any governmental, legal or arbitration proceedings which may have or have had during such period a significant effect on their respective financial position or profitability, and, as far as the Issuer is aware, no such governmental, legal or arbitration proceedings are pending or threatened, respectively.

### 4. Payment information and post-issuance information

Subject to paragraph 9 (*Reporting*) below, the Issuer does not intend to provide any post-issuance transaction information regarding the Notes to be admitted to trading on the regulated market of Euronext Dublin and the performance of the underlying Transferred Receivables, except if required by any applicable laws and regulations.

For as long as the Class A Notes are admitted to trading on the regulated market of Euronext Dublin, the Issuer will inform Euronext Dublin of the Class A Note Interest Amounts, in each case in the manner described in the Conditions.

Payments and transfers of the Notes will be settled through Clearstream, Luxembourg and Euroclear, as described herein. The Notes have been accepted for clearing by Clearstream, Luxembourg and Euroclear.

The Seller, in its role as Servicer, will, on behalf of the Issuer, for as long as the Class A Notes or (if possible in accordance with the Bank of England eligibility criteria in force from time to time) any other Class of Notes otherwise satisfy the Bank of England eligibility criteria, make loan level data available in such a manner as required to comply with the Bank of England eligibility criteria and transparency criteria for asset backed securities (as set out in the Detailed Information Transparency for Asset-Backed Securities for Auto-loan ABS of 11 October 2019 as amended and applicable from time to time).

### 5. Material adverse change

There has been no material adverse change in the financial position or prospects of the Issuer since its incorporation.

## 6. Miscellaneous

Since the date of its incorporation the Issuer has not commenced operations and as at the date hereof, no statutory or non-statutory accounts in respect of any fiscal year of the Issuer have been prepared. The Issuer will not publish interim accounts. The current financial period of the Issuer will end on 31 December 2021.

## 7. Publication of documents

This Base Prospectus will be made available to the public by publication in electronic form on the website of Euronext Dublin ([www.euronext.com/en/markets/dublin](http://www.euronext.com/en/markets/dublin)).

## 8. Listing and admission to trading

This Base Prospectus has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Regulation. Application has been made to Euronext Dublin for the Notes issued under the Programme to be admitted to the Official List of Euronext Dublin and to trading on its regulated market, subject only to the issue of the Notes.

The estimated aggregate cost of the foregoing applications for admission to the Official List of Euronext Dublin and admission to trading on its regulated market is approximately €8,940.

The Issuer has appointed McCann FitzGerald Listing Services Limited as Irish Listing Agent for Euronext Dublin. Prior to the listing of the Class A Notes, the constitutional documents of the Issuer and legal notices relating to the issue of the Notes will be registered with the Registrar of Companies where such documents are available for inspection and copies of these documents may be obtained, free of charge, upon request. McCann FitzGerald Listing Services Limited is acting solely in its capacity as Irish Listing Agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on its regulated market for the purposes of the Prospectus Regulation.

From the date of this Base Prospectus and including for so long as the Class A Notes are admitted to the Official List of Euronext Dublin and to trading on its regulated market, copies of the following documents may be inspected in physical form or in electronic form at the registered office of the Issuer during usual business hours, on any weekday (public holidays excepted) or made available on the website of European DataWarehouse (UK portal) at <https://editor.eurodw.co.uk/home> and by means of European DataWarehouse as securitisation repository:

- (i) the articles of incorporation of the Issuer;
- (ii) the resolutions of the board of directors of the Issuer approving the issue of the Notes;
- (iii) the Investor Reports;
- (iv) all notices given to the Noteholders pursuant to the Conditions; and
- (v) this Base Prospectus and all Transaction Documents referred to in this Base Prospectus.

For the avoidance of doubt, none of the websites and their contents form part of this Base Prospectus.

## 9. Reporting

Please see the section entitled "*RISK RETENTION AND SECURITISATION REGULATIONS REPORTING*" for information in relation to the reporting to be provided by, or on behalf of, the Seller (in its capacity as reporting entity for the purposes of Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation).



## **10. Securitisation Repository**

The Seller shall procure that the Cash Manager makes the information required under the UK Securitisation Regulation and the EU Securitisation Regulation available to the Noteholders, the competent authorities and, upon request, to potential noteholders by means of a securitisation repository or (where no securitisation repository is registered in accordance with Article 10 of the UK Securitisation Regulation and Article 10 of the EU Securitisation Regulation) by means of a website which conforms to the requirements set out in Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation. As at the Initial Issue Date, the Cash Manager (on behalf of the Seller) shall make available (i) the information required under the UK Securitisation Regulation by means of the website of European DataWarehouse (UK portal) at <https://editor.eurodw.co.uk/home> and (ii) the information required under the EU Securitisation Regulation by means of European DataWarehouse as securitisation repository.

## **11. LEI**

The Issuer's Legal Entity Identifier (LEI) is 213800LZLB6DYOC9O996.

## **12. ICSDs**

Euroclear Bank SA/NV  
1 Boulevard du Roi Albert II  
B-1210 Brussels  
Belgium

Clearstream Banking S.A.  
42 Avenue JF Kennedy  
L-1885 Luxembourg

## **13. Miscellaneous**

No website referred to herein forms part of this Base Prospectus.

The language of the Base Prospectus is English.

## GLOSSARY OF TERMS

**"Account Bank"** means Lloyds Bank plc or any successor thereof or any other Person appointed as replacement Account Bank from time to time in accordance with the Bank Account Agreement.

**"Acquisition Price"** means the price paid by the Seller in order to acquire the related Vehicle on or before the Finance Agreement Effective Date.

**"Actual/365"** means the actual number of days in the Interest Period divided by 365.

**"Additional Account"** means any account opened in the name of the Issuer from time to time (whether a new account or a replacement or supplement for any existing Issuer Account) other than the General Collection Account and the General Reserve Account.

**"Additional Receivables Offer"** means an offer from the Seller to sell to the Issuer additional Eligible Receivables in the form set out in Schedule 3 (*Form of Additional Receivables Offer*) to the Master Receivables Transfer Agreement.

**"Additional Receivables Offer IT Files"** means the data entries in the Servicing Report relating to the Receivables which are referred to in the Servicing Report as being "eligible" thereby denoting such Receivables as the additional Receivables the Seller proposes to sell to the Issuer pursuant to clause 2 (*Purchase of Receivables on the Initial Issue Date*) of the Master Receivables Transfer Agreement, as provided on the Information Date immediately preceding the relevant proposed Transfer Date.

**"Additional Transferred Receivables"** means Receivables and the related Vehicle Sale Proceeds Receivables, which are sold to the Issuer by the Seller on a Transfer Date falling after the Initial Issue Date during the Revolving Period pursuant to the Master Receivables Transfer Agreement, to the extent that they are not Receivables or Vehicle Sale Proceeds Receivables sold or transferred by the Issuer pursuant to clause 7 (*Repurchase and Sale of Transferred Receivables*) of the Master Receivables Transfer Agreement or clause 8 (*Repurchase of Non-Compliant Receivables*) of the Servicing Agreement or otherwise.

**"Administrator Recovery Incentive Fee"** means the fee (inclusive of VAT) payable to the insolvency official of the Seller following an Insolvency Event of the Seller in relation to the sale of the relevant Vehicles in an amount equal to (i) the reasonable costs and expenses of such insolvency official (including any irrecoverable VAT in respect thereof) incurred in relation to the sale of such Vehicles plus (ii) a percentage of the corresponding vehicle realisation proceeds to be (x) 1% of the relevant vehicle realisation proceeds or (y) at any time thereafter, as may be agreed by the Servicer with the insolvency official of the Seller pursuant to the Servicing Agreement (up to a maximum amount of 1% of the relevant vehicle realisation proceeds).

**"Affected Receivables"** shall have the meaning given to it in clause 7.1 (*Mandatory Repurchase by the Seller for breach of Receivables Representation*) of the Master Receivables Transfer Agreement.

**"Adverse Claim"** means any mortgage, charge, pledge, hypothecation, lien or other security interest or encumbrance or other right or claim under the laws of any jurisdiction, of or on any Person's assets or properties in favour of any other Person.

**"Affiliate"** means, in relation to any corporate entity, a holding company or subsidiary of such corporate entity or a subsidiary of the holding company of such corporate entity (the terms "holding company" and "subsidiary" having the meaning given to them by the Companies Act 2006).

**"Agency Agreement"** means the agency agreement entered into by the Issuer, the Paying Agent, the Registrar and the Note Trustee on or about the Initial Issue Date.

**"Agent"** means the Paying Agent and/or the Registrar (as applicable).

**"Aggregate Note Principal Amount Outstanding"** means, on the date of determination, the Note Principal Amount Outstanding of all Classes of Notes.

**"Aggregate Principal Outstanding Balance"** means, on the date of determination, the Principal Outstanding Balance of all Transferred Receivables in the Portfolio.

**"Ancillary Rights"** means the ancillary rights under a Finance Agreement associated with each Receivable sold by the Seller to the Issuer pursuant to the Master Receivables Transfer Agreement (excluding the Excluded Proceeds) which shall include the following:

- (a) the benefit of any Collateral Security attached, whether by operation of law or on the basis of the relevant Finance Agreement or otherwise, to amounts owing under the relevant Finance Agreement;
- (b) the right to serve notice to pay or repay, to recover and/or to grant a discharge in respect of the whole or part of the amounts due or to become due in connection with the relevant Finance Agreement(s) from the relevant Obligor(s) (or from any other person that has granted any Collateral Security in connection with such Receivable);
- (c) the benefit of any and all representations, warranties and undertakings given or assumed by the Obligor(s) party to the relevant Finance Agreement (or by any other person that has granted any Collateral Security in connection with such Finance Agreement) pursuant to the relevant Finance Agreement;
- (d) the benefit of any and all actions against the Obligor(s) party to the relevant Finance Agreement (or against any other person that has granted any Collateral Security in connection with such Finance Agreement) pursuant to the relevant Finance Agreement, including any right to Enforcement Proceeds;
- (e) all of the rights and credits accruing to the Seller pursuant to any Insurance Policy in relation to such Receivable; and
- (f) all rights accruing to the Seller pursuant to any Debtor Insurance of the Obligor in respect of the Vehicle financed by such Finance Agreement or any Insurance Policy related to such Finance Agreement.

**"Applicable Law"** means:

- (a) all applicable laws, rules, regulations, ordinances, directives, statutes, authorisations, permits, licences, notices, instructions and decrees of any relevant Regulatory Authority or any judgment or judicial practice of any court and any other legally binding requirement of any Regulatory Authority or government authority having jurisdiction with respect to the Seller and the Servicer, including, without limitation, CONC (as relevant);
- (b) any applicable rules, guidance, policies and publications of any relevant Regulatory Authority or government authority in the United Kingdom in relation to unfair contractual terms and conditions, to the extent such guidance, policies and publications do not conflict with any of the matters referred to in paragraph (a) of this definition;
- (c) to the extent applicable, the FCA Handbook, including CONC and DISP, and any applicable guidance, policies and publications of the relevant Regulatory Authority (including the FCA) relating to the FCA Handbook to the extent such guidance, policies and publications do not conflict with the FCA Handbook or any of the matters referred to in paragraph (a) of this definition; and
- (d) any applicable publications of any relevant Regulatory Authority (including the FCA's guidance, policies and publications relating to the treating customers fairly initiative and good practice and

guidance published by the FOS), in each case only to the extent such guidance, policy or publication does not conflict with any of the matters referred to in paragraph (a) of this definition.

"**Arranger**" means HSBC Bank plc.

"**Attached**" or "**Attachment**" means the seizure, taking possession of, or designating for transfer for the benefit of creditors of, all or any part of the applicable property, business, undertakings, assets or revenues, pursuant to a court order or judgment.

"**Auditors**" means Mazars.

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Available Collections**" means in relation to any Transferred Receivable:

- (a) the Collections;
- (b) any RV Receivables Repurchase Price received by the Issuer upon the exercise of the RV Receivables Repurchase Commitment;
- (c) any amount received by the Issuer in connection with (i) the Seller repurchasing Affected Receivables, (ii) the Seller repurchasing the Portfolio pursuant to clause 7 (*Repurchase and sale of Transferred Receivables*) of the Master Receivables Transfer Agreement, (iii) the Servicer purchasing the Non-Compliant Receivables or (iv) the Issuer otherwise selling any Transferred Receivables;

less:

- (i) any Excluded Proceeds; and
- (ii) any amounts corresponding to any payments made by Obligors which are subsequently rejected by the Servicer or required to be repaid to the Servicer.

"**Available Funds**" means, in respect of any Payment Date falling after a Collection Period, the following sums which are credited to the General Collection Account in respect of such Collection Period (which shall not include amounts recorded in the Issuer Profit Ledger):

- (a) the Available Collections received in respect of such Collection Period;
- (b) the credit balance of the Revolving Account on the preceding Calculation Date;
- (c) the credit balance of the General Reserve Account on the preceding Calculation Date;
- (d) the Financial Income (if any) in respect of such Collection Period; and
- (e) during the Revolving Period only, the net proceeds of the issue of Notes which is credited on the General Collection Account on such Issue Date.

"**Available Revolving Basis**" means, on each Payment Date falling within the Revolving Period, the sum of:

- (a) the Revolving Basis as of such Payment Date; and
- (b) the Residual Revolving Basis as of the immediately preceding Payment Date.

"**Average Net Margin**" means, in relation to any Payment Date, (x) the aggregate of the Issuer Net Margins determined on the immediately preceding Calculation Date in respect of the three immediately

preceding Collection Periods divided by (y) three, provided that if less than three (3) Issuer Net Margins are available, the Average Net Margin will be the arithmetic mean of the available Issuer Net Margin(s).

**"Back-Up Servicer Facilitator"** means Intertrust Management Limited, appointed pursuant to the terms of the Servicing Agreement.

**"Bail-In Action"** means the exercise of any Write-down and Conversion Powers.

**"Bank Account Agreement"** means the bank account agreement dated on or about the Initial Issue Date between, *inter alios*, the Issuer, the Security Trustee and the Account Bank.

**"Base Prospectus"** means this Base Prospectus.

**"Basic Terms Modification"** has the meaning given to it in Condition 12(a)(iv).

**"Blocking Law"** means:

- (i) Council Regulation (EC) No 2271/96 as it forms part of English law by virtue of the EUWA; or
- (ii) any similar blocking or anti-boycott law in the United Kingdom.

**"BOE Cash Flow Model"** means, for the purpose of the Bank of England's Sterling Monetary Framework, the liability cash flow model which precisely represents the contractual relationship between the Transferred Receivables and the payments flowing between the Seller, the other relevant Transaction Parties and the Issuer and in line with the requirements published by the Bank of England.

**"Book-Entry Interests"** means the beneficial interests in the Global Notes.

**"Business Day"** means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in London and on which the TARGET 2 system is operated.

**"Business Hours"** means 9.30 a.m. to 5.00 p.m. (London time) on any Business Day.

**"Calculation Date"** means in respect of any Payment Date, the 4<sup>th</sup> Business Day before such Payment Date.

**"Car Dealer"** means a dealer situated in England and Wales or Scotland or Northern Ireland, acting as agent of the Seller in connection with the Finance Agreements.

**"Cash Management Agreement"** means the cash management agreement dated on or about the Initial Issue Date among the Issuer, the Cash Manager, the Servicer and the Security Trustee.

**"Cash Manager"** means the person appointed as cash manager, any successor thereof or any other Person appointed as replacement cash manager from time to time in accordance with the Cash Management Agreement, which on the Initial Issue Date is Eurotitrisation S.A..

**"Cash Manager Termination Event"** means any of the following:

- (i) the Cash Manager does not perform or comply with any one or more of its obligations in the Cash Management Agreement or the other Transaction Documents to which it is expressed to be a party, which default is:
  - (a) in the opinion of the Security Trustee materially prejudicial to the interests of the Secured Creditors; and
  - (b) incapable of remedy or, if, in the opinion of the Security Trustee capable of remedy, is not remedied within 30 days after the earlier of:
    - (I) the Cash Manager becoming aware of such default; and

- (II) notice of such default having been given to the Cash Manager by the Issuer or the Security Trustee;
- (ii) any Insolvency Event occurs in respect of the Cash Manager;
- (iii) following the delivery of a Note Acceleration Notice by the Note Trustee pursuant to the Trust Deed, the Security Trustee determines that the Cash Manager's appointment under the Cash Management Agreement is materially prejudicial to the interests of the Secured Creditors;
- (iv) the Cash Manager fails to maintain all appropriate Authorisations with, governmental and other regulatory authorities required by it to perform its obligations under the Cash Management Agreement or the other Transaction Documents to which it is expressed to be a party; or
- (v) the Cash Manager is prevented or severely hindered for a period of 20 days or more from complying with its obligations under the Cash Management Agreement as a result of a Force Majeure Event and such Force Majeure Event continues for 10 Business Days after the occurrence of such Force Majeure Event.

"CCA" means the Consumer Credit Act 1974, as amended by the Consumer Credit Act 2006 and associated secondary legislation.

"Class" means each class of Notes.

"Class A Notes Interest Amount" means on each Payment Date, the amount of interest payable pursuant to Condition 4(e) (*Calculations*) in respect of the Class A Notes held by a Class A Noteholder on such Payment Date.

"Class A Note Interest Rate" means, in respect of each Series of Class A Notes, the fixed rate specified in the Final Terms.

"Class A Noteholders" means the holders of all Series of Class A Notes at the relevant time.

"Class A Notes" means all Class A Notes of any Series, including any Further Notes.

"Class A Notes Amortisation Amount" means in relation to the Class A Notes and any Payment Date during the Pre-Enforcement Amortisation Period, an amount equal to the lesser of:

- (a) the Note Principal Amount Outstanding of the Class A Notes on the immediately preceding Calculation Date; and
- (b) the Principal Amortised Amount in respect of the preceding Collection Period.

"Class A Notes Partial Early Amortisation Amount" means, on any relevant Payment Date during the Revolving Period, an amount equal to:

- (a) the aggregate Principal Components of the Re-transfer Price (in case of the exercise of an option to re-transfer Transferred Receivables in accordance with clause 7 (*Repurchase and Sale of Transferred Receivables*) of the Master Receivables Transfer Agreement; or
- (b) in the case of item (b) of the Partial Early Amortisation Event, 7.5% of the Aggregate Note Principal Amount Outstanding of the Notes,

multiplied by (A/B) where A is the Note Principal Amount Outstanding of the Class A Notes and (B) is the Aggregate Note Principal Amount Outstanding of all Notes.

"Class A Notes Required Amount" means, with respect to the Initial Issue Date and any Further Issue Date an amount equal to the product of Class A Notes Required Ratio Limit and the aggregate amount of the Principal Outstanding Balance of all Performing Receivables immediately after such Further Issue Date taking into account the additional Transferred Receivables transferred at such Issue Date rounded

down to the nearest GBP 100,000, provided that the Class A notes cannot exceed the Programme Limit with respect to Class A Notes.

**"Class A Notes Required Ratio"** means the ratio of (x) the Note Principal Amount Outstanding of the Class A Notes divided by (y) the Aggregate Note Principal Amount Outstanding of all Notes.

**"Class A Notes Required Ratio Limit"** means 72%.

**"Class B Notes Interest Amount"** means on each Payment Date, the amount of interest payable pursuant to Condition 4(e) (*Calculations*) in respect of the Class B Notes held by a Class B Noteholder on such Payment Date.

**"Class B Note Interest Rate"** means, in respect of each Series of Class B Notes, the fixed rate equal to 2% or as otherwise specified in the Final Terms.

**"Class B Noteholders"** means the holders of all Series of Class B Notes at the relevant time.

**"Class B Notes"** means all Class B Notes of any Series, including any Further Notes.

**"Class B Notes Amortisation Amount"** in relation to the Class B Notes and any Payment Date during the Pre-Enforcement Amortisation Period, an amount equal to the lesser of:

- (a) the Note Principal Amount Outstanding of the Class B Notes on the immediately preceding Calculation Date; and
- (b) the difference between:
  - (i) the Principal Amortised Amount in respect of the preceding Collection Period; and
  - (ii) the Class A Notes Amortisation Amount.

**"Class B Notes Partial Early Amortisation Amount"** means, on any relevant Payment Date during the Revolving Period, an amount equal to :

- (a) the aggregate Principal Component of the Re-transfer Price (in case of exercise of an option to re-transfer Transferred Receivables in accordance with the clause 7 (*Repurchase and Sale of Transferred Receivables*) of the Master Receivables Transfer Agreement); or
- (b) in the case of item (b) of the Partial Early Amortisation Event, 7.5% of the Aggregate Note Principal Amount Outstanding of the Notes,

multiplied by (A/B) where A is the Note Principal Amount Outstanding of the Class B Notes and (B) is the Aggregate Note Principal Amount Outstanding of all Notes.

**"Class B Notes Required Amount"** means, with respect to the Initial Issue Date and any Further Issue Date an amount equal to aggregate amount of the Principal Outstanding Balance of all Performing Receivables immediately after such Further Issue Date taking into account the additional Transferred Receivables transferred at such Issue Date minus the Class A Notes Required Amount, rounded up to the nearest GBP 1,000.

**"Class B Notes Required Ratio"** means the ratio of (x) the Note Principal Amount Outstanding of the Class B Notes divided by (y) the Aggregate Note Principal Amount Outstanding of all Notes.

**"Class B Notes Required Ratio Limit"** means 28%.

**"Clean-Up Call"** means the Seller's right pursuant to the Master Receivables Transfer Agreement to repurchase all of the Transferred Receivables on any Payment Date following the Calculation Date on which the Aggregate Principal Outstanding Balance of all Transferred Receivables is equal to or less

than 10% of the Aggregate Principal Outstanding Balance of all Transferred Receivables as at the Cut-Off Date when the Clean-Up Call Conditions are satisfied.

**"Clean-Up Call Conditions"** means, in relation to any exercise by the Seller of the Clean-Up Call, the following requirements:

- (a) the Final Repurchase Price should be an amount as described in Condition 5(d)(i)(1) (*Clean-Up Call*); and
- (b) the Seller shall have notified the Issuer of its intention to exercise the Clean-Up Call at least 10 calendar days prior to the contemplated settlement date of the Clean-Up Call.

**"Clearing Systems"** means Clearstream Banking S.A., Euroclear Bank SA/NV, and/or such other clearing agency, settlement system, or depository as may from time to time be used in connection with the safekeeping of, or transactions relating to, securities, and any nominee, clearing agency, or depository for any of them.

**"Clearstream, Luxembourg"** means the Clearstream clearance system for internationally traded securities operated by Clearstream Banking S.A., and any successor thereto.

**"CM Reporting Date"** means, in relation to any Payment Date, the 2<sup>nd</sup> Business Day before such Payment Date.

**"Collateral Security"** means, in respect of any Receivable, any guarantee or security (including any indemnity, pledge, mortgage, privilege, security, cash deposit or other agreement or arrangement of any nature whatsoever) granted by an Obligor or a third party in order to guarantee the payment of any amount owed by, and/or the fulfilment of the obligations of, the Obligor(s) in connection with the Finance Agreement from which such Receivable derives.

**"Collected Income"** means, in relation to any Payment Date,

- (a) the Available Collections in respect of such Payment Date; plus
- (b) the Financial Income on such Payment Date; less
- (c) the Revolving Basis of such Payment Date.

**"Collection Period"** means the monthly servicing and cash management reporting period from (and including) the first day of each calendar month to (but excluding) the first day of the following month or, in the case of the first Collection Period, from (and including) the Initial Cut-Off Date to (but excluding) 30 September 2021.

**"Collections"** means, in relation to any Transferred Receivable:

- (a) all cash collections and other cash proceeds (including without limitation bank transfers, wire transfers, cheques, bills of exchange and direct debits but excluding any payment that is subsequently reversed) relating to such Transferred Receivables as received from the relevant Obligor or other third parties as insurers or guarantors, and including all amounts of principal and interest, deferred amounts, fees, penalties (including any Option to Purchase Fee, excess mileage penalties and charges for damage to the related Vehicle), late-payment indemnities, amounts paid under the Debtor Insurance, any Insurance Policy or otherwise related to such Transferred Receivables;
- (b) which is an RV Receivable (other than any RV Receivable which has been sold to the Seller pursuant to clause 7.2 (*RV Receivables Repurchase Commitment*) of the Master Receivables Transfer Agreement and in respect of which the Issuer has received in full the relevant Repurchase Price), the Vehicle Sale Proceeds for the related Redelivered Vehicle received by the Servicer;



(c) any premia or fees paid by the relevant Obligor in relation to any Supplementary Services in respect of such Transferred Receivables; and

(d) any Recoveries.

"**Common Safekeeper**" or "**CSK**" means the entity appointed by the ICSDs to provide safekeeping for the Notes in NSS form.

"**CONC**" means the Consumer Credit Sourcebook as contained in the FCA Handbook.

"**Conditions**" means the terms and conditions of the Notes (which terms and conditions are set out in the Base Prospectus).

"**Corporate Financing Ratio**" means, in respect of any Calculation Date and any Transferred Receivables (excluding any Vehicle Sale Proceeds Receivable), the ratio of:

(a) the aggregate amount of the Principal Outstanding Balances of the Performing Receivables relating to the financing of Vehicles in respect of which the Obligors are corporate entities as of the Cut-Off Date preceding such Calculation Date; to

(b) the aggregate amount of the Principal Outstanding Balances of all Performing Receivables as of the Cut-Off Date immediately preceding that Calculation Date,

provided that, for the purposes of calculating this ratio, the additional Receivables proposed to be purchased on the next Payment Date shall be considered to be Transferred Receivables.

"**Corporate Services Agreement**" means the corporate services agreement entered into by, *inter alios*, the Issuer, Holdings and the Corporate Services Provider on or about the Initial Issue Date under which the Issuer and Holdings have appointed the Corporate Services Provider to perform certain corporate and administrative services to each of them.

"**Corporate Services Provider**" means Intertrust Management Limited, acting through its office at 1 Bartholomew Lane, London, EC2N 2AX, United Kingdom.

"**Covid-19 Payment Holiday**" means a concession granted to an Obligor to defer making full or partial payments due to hardship caused by the Covid-19 pandemic and, in accordance with the applicable FCA guidance (and/or following the Initial Issue Date, other applicable regulatory guidance).

"**CRA15**" means the Consumer Rights Act 2015.

"**CRD**" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

"**CRD IV Package**" means CRD and CRR.

"**CRD V**" means Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures.

"**CRR Amending Regulation**" means Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

"**CRR II**" means Regulation (EU) No 876/2019 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to

central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012.

**"Cut-Off Date"** means, with respect to the Initial Issue Date or any Payment Date, the last day in the immediately preceding calendar month.

**"Data Protection Laws"** means any law, enactment, regulation or order concerning privacy and the processing of data relating to living persons including:

- (a) the EU GDPR;
- (b) the UK GDPR;
- (c) the UK Data Protection Act 2018; and
- (d) other EU Data Protection Laws,

in each case to the extent applicable to the activities or obligations under or pursuant to the Transaction Documents, and each of the terms **"controller"**, **"data subject"**, **"personal data"** and **"personal data breach"**, where used in respect of the performance of an activity or obligation, shall have the meaning given to that term under the relevant Data Protection Laws as at the time at which that activity or obligation was performed.

**"Day Count Fraction"** means in respect of an Interest Period, the actual number of days in such Interest Period divided by 365.

**"Debt Relief Order"** has the meaning given to it in Section 251A of the Insolvency Act 1986.

**"Debtor Insurance"** means the insurance policy purchased by an Obligor to cover loss, damage and third party liability in respect of a Vehicle.

**"Deed of Charge"** means the deed of charge dated on or about the Initial Issue Date between, *inter alios*, the Issuer and the Security Trustee.

**"Defaulted Amounts"** means, in relation to a certain period and for the Defaulted Receivables, an amount equal to:

- (i) the Principal Outstanding Balance of such Defaulted Receivables at the time of the default;
- plus
- (ii) the aggregate of the Principal Components unpaid (if any) when such Transferred Receivables were Delinquent Receivables (excluding any Recoveries) from (and including) the Initial Issue Date to (but excluding) the Calculation Date.

**"Defaulted Receivable"** means any Transferred Receivable:

- (a) in respect of which an Instalment or any part thereof or any other amount due under the related Finance Agreement remains unpaid (by way of payment or by set-off) by the Obligor for a period of more than 120 calendar days during such Collection Period or any preceding Collection Period (for the avoidance of doubt, any payment received by the Seller, Servicer or the Issuer under any Debtor Insurance shall not be treated as a payment by the relevant Obligor for these purposes); or
- (b) in respect of which the Finance Agreement has been recorded as a hostile termination or voluntary termination or written off or is considered to be defaulted by the Servicer in accordance with the Underwriting and Collection Procedures.

**"Deferred Purchase Price"** means, in respect of a Transferred Receivable, the amount payable to the Seller as Deferred Purchase Price pursuant to the applicable Priority of Payments (exclusive of VAT), after payment in full of all amounts ranking senior to the Deferred Purchase Price.

**"Delinquent Receivable"** means, in relation to a Collection Period, any Transferred Receivable which is not a Defaulted Receivable, (A) in respect of which the Obligor has not paid in full during such Collection Period any Instalment or any other amount that is due under the related Finance Agreement during such Collection Period or any preceding Collection Period (for the avoidance of doubt, any payment received by the Seller, Servicer or the Issuer under any Debtor Insurance shall not be treated as a payment by the relevant Obligor for these purposes) or (B) which has been recorded as such in the Servicer's System in accordance with the Servicer's Underwriting and Collection Procedures.

**"Definitive Notes"** means Notes in definitive registered form substantially in the forms set out in the Trust Deed.

**"Direct Debit"** means a written instruction of an Obligor authorising its bank to honour a request of Seller to debit a sum of money on specified dates from the account of the Obligor for credit to an account of Seller.

**"Direct Debiting Arrangements"** means the procedures adopted in accordance with the rules of the Association for Payment Clearing Services.

**"Discount Rate"** means, in respect of the Receivables in relation to a Finance Agreement, the greater of (i) the Implicit Customer Rate payable by the relevant Obligor under such Finance Agreement and (ii) the Minimum Effective Yield applicable on the relevant Cut-off Date for such Finance Agreement.

**"Early Settlement"** means any prepayment or early settlement, in whole or in part, made by the Obligor in respect of any Transferred Receivable.

**"Early Settlement Regulations"** means the Consumer Credit (Early Settlement) Regulations 2004.

**"EC Return Loss"** means, with respect to each EC Return Receivables of a PCP Agreement for which (x) the relevant Obligor has not exercised its option to purchase the related Vehicles and (y) the EC Return Receivables has not been repurchased by the Seller in accordance with clause 7 (*Repurchase and Sale of Transferred Receivables*) of the Master Receivables Transfer Agreement, the positive difference between the amount of the Final Instalment and the Vehicle Sale Proceeds (if any) received within 3 months following the Maturity Date of such PCP agreement; provided that after such period, the EC Return Loss will be considered as equal to the amount of the Final Instalment.

**"EC Return Receivable"** means any Transferred Receivable which relates to a PCP Agreement, when an Obligor exercises its option to return the Vehicle at the Maturity Date without paying the Final Instalment and the relevant Vehicle is returned to the Seller (or its agent) for sale.

**"EC Treaty"** means the Treaty establishing the European Community (signed in Rome on 25 March, 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February, 1992), as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 November, 1997), as amended by the Treaty of Nice (signed in Nice on 26 February, 2001) and as amended by the Treaty of Lisbon (signed in Lisbon on 13 December 2007 and in force since 1 December 2009) and as amended from time to time.

**"Electric Vehicle"** means a Vehicle that uses only an electric motor for propulsion.

**"Eligibility Criteria"** means the eligibility criteria set out in Schedule 7 (*Receivables Eligibility Criteria*) to the Master Receivables Transfer Agreement.

**"Eligible Persons"** has the meaning given to it in the Trust Deed.

**"Eligible Receivable"** means a Receivable and the related Vehicle Sale Proceeds Receivable which meet the applicable representations and warranties given by the Seller pursuant to the provisions of the Master Receivables Transfer Agreement in respect of such Receivables, the related Vehicle Sale Proceeds Receivable and the relevant Obligor at the relevant Cut-Off Date.

**"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 Proceeds"** means the proceeds received by the Seller following its enforcement of any Finance Agreement upon the Obligor's default under such Finance Agreement.

**"ESMA"** means the European Securities Markets Authority or any successor authority.

**"EU Article 7 ITS"** means the Commission Implementing Regulation (EU) 2020/1225 (the 2020/1225 ITS) including any relevant guidance and policy statements relating to the application of the 2020/1225 ITS published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission.

**"EU Article 7 RTS"** means the Commission Delegated Regulation (EU) 2020/1224 (the 2020/1224 RTS) including any relevant guidance and policy statements relating to the application of the 2020/1224 RTS published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission.

**"EU Article 7 Technical Standards"** means the EU Article 7 RTS and the EU Article 7 ITS.

**"EU CRA Regulation"** means Regulation (EC) No 1060/2009 of the European Parliament on credit rating agencies, as amended by Regulation (EU) No 513/2011 and by Regulation (EU) No 462/2013.

**"EU CRR"** means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, amending Regulation (EU) No 648/2012 as supplemented by Commission Delegated Regulation (EU) No 625/2014.

**"EU Data Protection Laws"** means any law, enactment, regulation or order transposing, implementing, adopting, supplementing or derogating from, the EU GDPR and the EU Directive 2002/58/EC in each Member State.

**"EU GDPR"** means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

**"EU Insolvency Regulation"** means Regulation (EU) No 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast).

**"EU Market Abuse Regulation"** means Regulation EU 596/2014.

**"EU Securitisation Regulation"** means Regulation (EU) No 2017/2402 dated 12 December 2017 and any relevant regulatory and/or implementing technical standards adopted by the European Commission in relation thereto, any relevant regulatory and/or implementing technical standards applicable in relation thereto pursuant to any transitional arrangements made pursuant to the EU Securitisation Regulation, and in each case, any relevant guidance published by the European Banking Authority, the European Securities and Markets Authority (or, in either case, any predecessor authority) and/or the European Commission.

**"EU SR Inside Information and Significant Event Report"** means the inside information or significant event information report prepared as required by and in accordance with Article 7(1)(f) and/or Article 7(1)(g) (as applicable) of the EU Securitisation Regulation and the EU Article 7 Technical Standards.

**"EU STS Notification"** means the notification to be submitted to ESMA in accordance with Article 27 of the EU Securitisation Regulation confirming that the requirements of Articles 18 to 22 of the EU Securitisation Regulation have been satisfied.

**"EUR"** or **"Euro"** means the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the EC Treaty.

**"Euroclear"** means Euroclear Bank SA/NV as operator of the Euroclear System and any successor thereto.

**"Euronext Dublin"** means the Irish Stock Exchange plc trading as Euronext Dublin.

**"Eurosystem"** comprises the European Central Bank and the national central banks of those countries that have adopted the euro.

**"EUWA"** means the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020), as amended, varied, superseded or substituted from time to time.

**"Event of Default"** means, in relation to the Issuer, the Seller or the Servicer (as applicable, the **"Relevant Person"**), the occurrence of any of the following events:

- (a) the Relevant Person fails to make any payment payable by it under any Transaction Document when due in the currency and in the manner specified in the relevant Transaction Document except if such failure is due to technical reasons and such default is remedied by the Relevant Person within two Business Days, or, in the case of the Issuer, if the failure to pay is in respect of interest when due in the currency and in the manner specified herein where such failure to pay interest continues for five days or more;
- (b) if the Relevant Person is the Seller or the Servicer, any representation or warranty made by the Relevant Person pursuant to any Transaction Document or in any notice or other document, certificate or statement delivered by it pursuant hereto or in connection herewith is or proves to have been incorrect or misleading in any material respect when made and it is not remedied within 20 Business Days;
- (c) if the Relevant Person is the Seller or the Servicer, the Relevant Person fails duly to perform or comply with any of its obligations under any of the Transaction Documents to which it is a party (other than those referred to in paragraphs (a) and (b) above) and such failure is not remedied within 20 Business Days;
- (d) an Insolvency Event occurs in respect of the Relevant Person;
- (e) if the Relevant Person is the Seller or the Servicer, at any time it is or becomes unlawful for the Relevant Person to perform or comply with any or all of its obligations under the Notes or the Transaction Documents or any of the obligations of the Relevant Person under the Notes or the Transaction Documents are not or cease to be legal, valid and binding; and
- (f) if the Relevant Person is the Seller or the Servicer, any Authorisation required by the Relevant Person to perform its obligations under the Transaction Documents is revoked or suspended.

**"Exchange Act"** means the U.S. Securities Exchange Act of 1934, as amended.

**"Exchange Event"** means:

- (a) any relevant Clearing System is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (b) as a result of any amendment to, or change in (A) the laws or regulations of the United Kingdom (or of any political sub-division thereof) or of any Tax Authority therein or thereof or (B) the

interpretation or administration of such laws or regulations, which becomes effective on or after the Initial Issue Date, the Issuer or the Paying Agent is or will be required to make a Tax Deduction from any payment in respect of the Notes which would not be required were the Notes (as applicable) in definitive form.

**"Excluded Proceeds"** means, in respect of a Transferred Receivable and a Collection Period, (A) all amounts relating to (i) any premia paid to the Seller in respect of any Insurance Policy on behalf of the relevant insurer during such Collection Period, (ii) any VAT Components received by the Issuer in relation to the Transferred Receivables, (B) any amounts collected by the Seller under any maintenance contract on behalf of the relevant maintenance services provider during such Collection Period and (C) an amount equal to the road fund license (if any) and the first registration fee (if any), in each case, relating to such Transferred Receivable.

**"Extraordinary Resolution"** means in respect of the holders of any Class of Notes:

- (a) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of at least 75% of the Eligible Persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of at least 75% of the votes cast on such poll;
- (b) a resolution in writing signed by or on behalf of the Noteholders of at least 75% in aggregate Note Principal Amount Outstanding of the Notes, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders; or
- (c) consent given by way of electronic consents communicated through the electronic communications systems of the relevant Clearing System(s) to the Paying Agent or another specified Agent in accordance with the operating rules and procedures of the relevant Clearing System(s) by or on behalf of the Noteholders of not less than 75% in aggregate Note Principal Amount Outstanding of the relevant Class of Notes.

**"FATCA"** means:

- (a) sections 1471 to 1474 of the US Internal Revenue Code and the Treasury regulations and official guidance issued thereunder, as amended from time to time ("**US FATCA**");
- (b) any inter-governmental agreement between the United States and any other jurisdiction entered into in connection with US FATCA (an "**IGA**");
- (c) any treaty, law, regulation or official guidance enacted, issued or amended in any jurisdiction which facilitates the implementation of US FATCA or an IGA ("**Implementing Law**"); and
- (d) any agreement entered into with the US Internal Revenue Service, the US government or any governmental or Tax Authority in any other jurisdiction in connection with US FATCA, an IGA or any Implementing Law.

**"FATCA Costs"** means any costs or expenses related to compliance with, or implementation of, FATCA, and any costs or expenses as a result of indemnification for FATCA Deductions.

**"FATCA Deduction"** means a deduction or withholding from a payment under a Transaction Document required by FATCA.

**"FATCA Exempt Party"** means a party that is entitled to receive payments free from any FATCA Deduction.

**"FCA"** means the Financial Conduct Authority of the United Kingdom or any regulatory authority that may succeed it as a United Kingdom regulator.

"**FCA Handbook**" means the handbook of rules promulgated by the FCA under FSMA as amended or replaced from time to time.

"**Final Discharge Date**" means the date on which the Issuer has irrevocably discharged its obligations towards the Secured Creditors under the Transaction Documents (including by operation of any limited recourse, no petition and limited liability provision contained in the Transaction Documents).

"**Final Instalment**" means the final payment payable, as applicable, under each Finance Agreement (excluding the Option to Purchase Fee) (assuming, in the case of a PCP Agreement that, the relevant Obligor under a PCP Agreement exercises its option to purchase the related Vehicle).

"**Final Repurchase Price**" has the meaning given to it in Condition 5(d).

"**Final Terms**" means the final terms to this Base Prospectus which will be prepared for each issue of Notes, including any issue of Further Notes.

"**Finance Agreement**" means each of the HP Agreements and the PCP Agreements entered into by the Seller and an Obligor, pursuant to which the Seller has granted fixed term financing to the Obligor for the purpose of financing the purchase of a Vehicle.

"**Finance Agreement Effective Date**" means the date on which a Finance Agreement is first recorded in the Seller's information system and interest starts to accrue on such Finance Agreement.

"**Financial Income**" means, in respect of any Collection Period, any interest amount or income accrued by or on behalf of the Issuer on or in respect of the Issuer Accounts (other than amounts recorded in the Issuer Profit Ledger).

"**First Receivables Offer**" means an offer from the Seller to the Issuer to sell Receivables and the related Vehicle Sale Proceeds Receivables to the Issuer on the Initial Issue Date in the form set out in Schedule 2 (*Form of First Receivables Offer*) to the Master Receivables Transfer Agreement.

"**First Transferred Receivables**" means the Receivables and the related Vehicle Sale Proceeds Receivables transferred to the Issuer on the Initial Issue Date, to the extent that they are not Receivables or Vehicle Sale Proceeds Receivables sold or transferred by the Issuer pursuant to clause 7 (*Repurchase and Sale of Transferred Receivables*) of the Master Receivables Transfer Agreement or clause 8 (*Repurchase of Non-Compliant Receivables*) of the Servicing Agreement or otherwise.

"**Fitch**" means Fitch Ratings Limited.

"**Force Majeure Event**" means any event (including but not limited to an act of God, fire, epidemic, explosion, floods, earthquakes, typhoons; riot, civil commotion or unrest, insurrection, terrorism, war, strikes or lockouts; nationalisation, expropriation, redenomination or other related governmental actions; Applicable Law of a Regulatory Authority or supranational body; regulation of the banking or securities industry including changes in market rules, currency restrictions, devaluations or fluctuations; market conditions affecting the execution or settlement of transactions or the value of assets; and breakdown, failure or malfunction of any telecommunications, computer services or systems, or other cause) beyond the control of any Transaction Party which restricts or prohibits the performance of the obligations of such Transaction Party contemplated by the Transaction Documents.

"**FOS**" means the Financial Ombudsman Service of the United Kingdom or any successor Regulatory Authority or Regulatory Authorities taking over all or part of its responsibilities.

"**FSMA**" means the Financial Services and Markets Act 2000.

"**Further Issue Date**" means each Payment Date falling prior to the Revolving Period Termination Date on which Further Notes are issued (excluding, with respect to a Series of Notes the first issuance of Notes in respect of the Series).

**"Further Notes"** means any notes of a Class and a Series issued by the Issuer on any Further Issue Date under the Programme up to a total of £1,000,000,000 of Class A Notes and £600,000,000 of Class B Notes.

**"GBP"** or **"Sterling"** means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

**"General Collection Account"** means the bank account with that name opened by the Issuer with the Account Bank with account number 22421760 and IBAN GB68LOYD30801222421760.

**"General Reserve Account"** means the bank account with that name opened by the Issuer with the Account Bank with account number 22422160 and IBAN GB35LOYD30801222422160.

**"General Reserve Decrease Amount"** means, in relation to any Payment Date, an amount equal to the amount by which the amount standing to the credit of the General Reserve Account exceeds the General Reserve Required Level on such Payment Date.

**"General Reserve Increase Amount"** means, in relation to any Transfer Date and Further Issue Date, an additional amount to be credited to the General Reserve Account at the opening of business on such Transfer Date and Further Issue Date, such amount to be (i) added pursuant to clause 5.2 (*General Reserve Account*) of the Cash Management Agreement and (ii) equal to:

- (a) the General Reserve Required Level on such Transfer Date and Further Issue Date; less
- (b) the amount standing to the credit of the General Reserve Account on such Transfer Date and Further Issue Date,

subject to a minimum of zero.

**"General Reserve Required Level"** means:

- (a) in relation to the Initial Issue Date, GBP10,417,000;
- (b) in relation to any Payment Date during the Revolving Period, an amount rounded up to the nearest GBP1,000 of 1 per cent of the Aggregate Note Principal Amount Outstanding of all the Notes (taking into account any additional further issuance of the Notes to be issued or any redemption of the Notes to be paid on such Payment Date) provided that such amount cannot be below GBP250,000;
- (c) in relation to any Payment Date during the Pre-Enforcement Amortisation Period, the higher of (i) an amount rounded up to the nearest GBP1,000 of 1% of the Aggregate Note Principal Amount Outstanding of all the Notes on the respective Payment Date and (ii) GBP250,000, provided that if the General Reserve Required Level on the previous Payment Date is equal to or above the Notes Principal Amount Outstanding of the Class A Notes, such amount will be zero; and
- (d) otherwise, zero.

**"Global Note"** means each of the global notes, in fully registered form, without interest coupons attached, which will represent the Class A Notes on issue substantially in the forms set out in the Trust Deed.

**"HMRC"** means Her Majesty's Revenue & Customs.

**"Holdings"** means Cars Alliance UK Master Holdings Limited (company number 13352523), whose registered office is at 1 Bartholomew Lane, London, EC2N 2AX, United Kingdom.

**"HP Agreement"** means each hire purchase agreement entered into between an Obligor and the Seller substantially in the form set out in Schedule 4 (*Agreed form of Finance Agreements*) to the Master



Receivables Transfer Agreement or as otherwise permitted in accordance with the terms of the Master Receivables Transfer Agreement.

"**HPI Car Register**" means the register operated by HPI Limited that records interests in vehicles.

"**ICSD**" or "**International Central Securities Depository**" means Clearstream, Luxembourg or Euroclear, and "ICSDs" means each of Clearstream, Luxembourg and Euroclear collectively.

"**Implicit Customer Rate**" means the internal rate of return payable by the Obligor under the relevant Finance Agreement, as specified in the relevant Servicing Report taking into account the following:

- (i) the Original Financing Amount; and
- (ii) all the Instalments (including the Final Instalment but excluding any fees payable and the Option to Purchase Fee) payable by the relevant Obligor to the Seller on each Instalment Due Date,

and calculated on the basis of a 365 day year.

"**Indemnified Amounts**" means any and all damages, losses, claims, taxes, liabilities and related costs and expenses, including legal fees and disbursements, together with irrecoverable VAT, as applicable, on those amounts.

"**Information Date**" means the 5th Business Day of a calendar month, provided that such date shall not be later than 3 Business Days before the Calculation Date.

"**Initial Cut-Off Date**" means 31 August 2021.

"**Initial Issue Date**" means 7 October 2021.

"**Initial Issue Date Receivables Offer IT File**" means the data file relating to the Eligible Receivables the Seller proposes to sell to the Issuer on the Initial Issue Date pursuant to clause 2.1 of the Master Receivables Transfer Agreement.

"**Initial Notes**" means the registered note of a Series and Class issued by the Issuer on the Initial Issue Date.

"**Initial Note Principal Amount**" means the initial principal amount of such Note on the Initial Issue Date.

"**Initial Purchase Price**" means, in respect of a Transferred Receivable, any amount equal to the Principal Outstanding Balance of such Transferred Receivable on the immediately preceding Cut-off Date (exclusive of VAT).

"**Initial Receivables Offer**" means an offer from the Seller to the Issuer to sell Receivables and the related Vehicle Sale Proceeds Receivables to the Issuer on the Initial Issue Date in the form set out in Schedule 2 (*Form of First Receivables Offer*) to the Master Receivables Transfer Agreement.

"**Insolvency Event**" means, with respect to the relevant Transaction Party or any Obligor, as the case may be, each of the following events or circumstances:

- (a) that party is unable or admits inability to pay its debts as they fall due or is deemed unable to pay its debts within the meaning of Section 123(1) of the Insolvency Act (other than, except in the case of the Issuer, subsection 123(1)(a)) or Section 123(2), suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
- (b) a moratorium is declared in respect of any indebtedness of that party;
- (c) that party ceases, or through an official action of its board of directors threatens to cease, to carry on all or a substantial portion of its business;

- (d) any corporate action, legal proceedings or other procedure or step is taken in relation to:
- (i) the suspension of all payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (including, without limitation, by way of voluntary arrangement, scheme of arrangement, restructuring plan under Part 26A of the Companies Act 2006 or otherwise) of that party other than a solvent liquidation or reorganisation of that party;
  - (ii) a composition, compromise, conveyance, assignment or arrangement with its creditors generally; or
  - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, monitor or other similar officer in respect of that party or its assets,
- or any analogous procedure or step is taken in any jurisdiction, provided that any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 30 calendar days of commencement shall not constitute an "Insolvency Event"; or
- (e) any expropriation, attachment, sequestration, distress, diligence or execution affects its assets generally of that party and such process is not discharged, stayed or restrained, in each case, within 30 calendar days thereafter.

**"Insolvency Official"** means, in respect of any company, a liquidator, provisional liquidator, administrator (whether appointed by the court or otherwise), administrative receiver, receiver (including any receiver under the Law of Property Act 1925), receiver or manager, nominee, supervisor, trustee in bankruptcy, conservator, guardian, monitor 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.

**"Instalment"** means, with respect to each Finance Agreement, each scheduled instalment payable under such Finance Agreement including the Final Instalment but excluding:

- (a) any premia payable to the Seller in respect of any Insurance Policy on behalf of the relevant insurer;
- (b) any VAT Components receivable by the Issuer in relation to the Transferred Receivables; and
- (c) any amounts payable to the Seller under any maintenance contract on behalf of the relevant maintenance services provider, in each case, relating to such Finance Agreement.

**"Instalment Due Date"** means, in respect of any Instalment, the date on which it is due and payable under the relevant Finance Agreement.

**"Insurance Policy"** means an insurance policy arranged by the Seller on behalf of the Obligor with an insurance company (under a group policy) which covers:

- (a) death and/or critical illness and/or disability and/or unemployment of the relevant Obligor; or
- (b) any financial shortfall between the insurance settlement received by the Obligor in the event of total loss to the Vehicle by fire, theft or material damage beyond repair and the amount required by the Seller to settle the Obligor's Finance Agreement.

**"Interest Component"** means in respect of any Instalment of a Finance Agreement received in full by the Issuer (or the Servicer) on the relevant Instalment Due Date, an amount equal to:

- (a) the Principal Outstanding Balance of the relevant Finance Agreement for the preceding monthly period; multiplied by
- (b) the Discount Rate of such Finance Agreement; multiplied by
- (c) 1/12<sup>th</sup>.

**"Instructing Party"** means:

- (a) the Note Trustee, so long as there are any Notes outstanding; or
- (b) all of the other Secured Creditors, once there are no Notes outstanding.

**"Insurance Distribution Directive"** means Directive (EU) 2016/97.

**"Insurance Non-Compliant Receivable"** means, where a Transferred Receivable includes an obligation to pay an amount in respect of an insurance premium financed by the Seller, such amount was not applied to discharge the obligation to pay the insurance premium to the relevant insurance company.

**"Interest Period"** means in respect of the first Payment Date, the period commencing on (and including) the Initial Issue Date and ending on (but excluding) the first Payment Date, and, in respect of any subsequent Payment Date, the period commencing on (and including) the immediately preceding Payment Date and ending on (but excluding) such Payment Date, provided that the last Interest Period shall end on (but exclude) the Legal Final Maturity Date or, if earlier, the date on which all Notes are redeemed in full.

**"Interest Shortfall"** has the meaning given to it in Condition 6(a) (*Deferral of interest and subordination*).

**"Investor Report"** means the report prepared by the Cash Manager on the basis of the corresponding Preliminary Investor Report in accordance with clause 10.3 (*Investor Report*) of the Cash Management Agreement to (i) comply with Article 7(1)(e) of the EU Securitisation Regulation and containing all the relevant information required by the EU Article 7 Technical Standards (such report being the "**EU Investor Report**") and (ii) save to the extent that the Seller is permitted by the FCA to provide only an EU Investor Report, comply with Article 7(1)(e) of the UK Securitisation Regulation and containing all the relevant information required by the UK Article 7 Technical Standards.

**"Investment Company Act"** means the U.S. Investment Company Act of 1940, as amended from time to time.

**"Irish Listing Agent"** means McCann FitzGerald Listing Services Limited.

**"Issue Date"** means the Initial Issue Date and any Further Issue Date.

**"Issuer"** means Cars Alliance UK Master Plc (company number 13384308), whose registered office is at 1 Bartholomew Lane, London, EC2N 2AX, United Kingdom, as issuer of the Notes.

**"Issuer Accounts"** means the General Collection Account, the General Reserve Account and the Revolving Account of the Issuer opened on or before the Initial Issue Date and any Additional Account opened in accordance with the Bank Account Agreement, in each case with the Account Bank.

**"Issuer ICSDs Agreement"** means the ICSDs agreement entered into by the Issuer and the ICSDs before any Class A Notes in NSS form will be accepted by the ICSDs.

**"Issuer Event of Default"** means the occurrence of an Event of Default with respect to the Issuer.

**"Issuer Expenses"** means the following amounts payable by the Issuer in the order set out below:

- (a) any amounts required to maintain the corporate existence of the Issuer (including without limitation, auditing and making filings at Companies House), then;
- (b) *pari passu* and *pro rata*, all amounts due under the Transaction Documents to the Security Trustee and any Receiver or to the Note Trustee or to any Appointee of the Security Trustee or the Note Trustee on account of their fees and expenses (including any legal fees and expenses), claims, costs, liabilities or any indemnity payments, then;

- (c) to the Issuer for deposit in the General Collection Account, an amount to be recorded in the Issuer Profit Ledger equal to the Issuer Profit Amount to be retained by the Issuer as profit in respect of the business of the Issuer, then;
- (d) *pari passu* and *pro rata*, all amounts due under the Transaction Documents to the Paying Agent and the Registrar on account of their fees and expenses (including any legal fees and expenses), claims, costs, liabilities or any indemnity payments, then;
- (e) *pari passu* and *pro rata*, all amounts payable (a) to the Back-Up Servicer Facilitator under the Servicing Agreement (if any), (b) to the Corporate Services Provider under the Corporate Services Agreement, (c) to the Cash Manager under the Cash Management Agreement (such fees to be paid in GBP on the basis of the spot exchange rate on each Calculation Date in accordance with the Cash Management Agreement) (d) to the process agent appointed by the Cash Manager in accordance with the Cash Management Agreement and (e) to the Account Bank under the Bank Account Agreement and (f) to the Rating Agencies, on account of their fees and expenses, claims, costs, liabilities or any indemnity payments, then;
- (f) any amounts required to pay or discharge any fine, penalty or sanction imposed by a regulator or competent authority payable to a regulator or competent authority in connection with any breach or alleged breach of any applicable law, including all fees, costs, liabilities and expenses, and then;
- (g) any amounts that the Issuer is liable to pay to any third parties and any other running costs of the Issuer, except those otherwise specifically referred to in the applicable Priority of Payments,

together with any amount in respect of VAT (if any) on those amounts as provided for under the Transaction Documents.

**"Issuer Net Margin"** means, in relation to any Payment Date, an amount equal to:

- (a) the Collected Income; less
- (b) the Payable Costs,

in each case, in respect of such Payment Date and as determined on the immediately preceding Calculation Date.

**"Issuer Profit Ledger"** means the ledger for the General Collection Account maintained by the Cash Manager in accordance with the Cash Management Agreement.

**"Issuer Power of Attorney"** means the security power of attorney dated on or about the Initial Issue Date granted by the Issuer in favour of the Security Trustee in, or substantially in, the form set out in the Deed of Charge.

**"Issuer Profit Amount"** means, (A) until the repayment in full of the Share Capital Loan, with respect to any Payment Date, an amount, rounded up to the nearest penny, equal to the product of (x) a fraction, the numerator of which is the number of days in the relevant Interest Period, and the denominator of which is 365, and (y) the amount of the product of (1) an amount equal to the Note Principal Amount Outstanding of the Notes on the Calculation Date prior to such Payment Date and (2) 0.001 per cent per annum (or such other amount determined by the Issuer with the consent of the Note Trustee) and (B) following the repayment in full of the Share Capital Loan, £100 payable on each Payment Date (£1,200 per annum), in each case from which the Issuer will discharge its corporation tax liability (if any).

**"Legal Final Maturity Date"** means the Payment Date falling in September 2032, or, if earlier, the date on which the Note Principal Amount Outstanding of the Notes has been repaid in full by the Issuer.

**"Liabilities"** means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever including

reasonable legal fees and any taxes and penalties incurred by that person, together with any irrecoverable VAT charged or chargeable in respect of any of the sums referred to in this definition.

**"Listing Rules"** means the listing rules issued by Euronext Dublin relating to its main securities market.

**"Loss"** means, in respect of any Person, any loss, liability, cost, expense, claim, action, suit, judgment, and out-of-pocket costs and expenses (including, without limitation, fees and expenses of any professional advisor to such Person) which such Person may have incurred or which may be made against such Person and any reasonable costs of investigation and defence.

**"Master Definitions Agreement"** means the master definitions agreement dated on or about the Initial Issue Date between, *inter alios*, the Issuer, the Seller, the Servicer, the Note Trustee, the Security Trustee, the Paying Agent, the Cash Manager, the Registrar, the Corporate Services Provider, Back-Up Servicer Facilitator and Holdings.

**"Master Receivables Transfer Agreement"** means the master receivables transfer agreement between, *inter alios*, the Seller, the Issuer and the Security Trustee on or about the Initial Issue Date, under which the Seller sells and assigns the Transferred Receivables to the Issuer during the Revolving Period.

**"Material Adverse Effect"** means:

- (a) with respect to any person or entity, a material adverse effect on the business, operations, property, condition (financial or otherwise) or prospects of such person or entity to the extent it relates directly to the ability of such person or entity to perform its obligations under the Transaction Documents or the Finance Agreements relating to the Transferred Receivables;
- (b) with respect to any person or entity, a material adverse effect on the validity or enforceability of any Transaction Document or Finance Agreement to which it is a party; or
- (c) with respect to the Portfolio, a material adverse effect on the interests of the Issuer or the Security Trustee in respect of all the Receivables in the Portfolio as a whole, or on the ability of the Issuer (or the Servicer on the Issuer's behalf) to collect amounts due on all the Receivables in the Portfolio as a whole or on the ability of the Security Trustee to enforce the Security.

**"Maturity Date"** means in relation to a Finance Agreement, the date on which the Final Instalment (and, if applicable, any Option to Purchase Fee) is payable in full by the Obligor (assuming, in the case of a PCP Agreement, that the relevant Obligor exercises its option to purchase the related Vehicle).

**"Maximum Monthly Receivables Purchase Amount"** means the Available Revolving Basis as at such Payment Date plus the aggregate Principal Outstanding Balance of the Transferred Receivables to be re-transferred by the Seller on such Payment Date and which are Performing Receivables in respect of such Transfer Date minus the Partial Early Amortisation Amount (if any) plus the increase amount of the existing Series of Notes (if any) and/or the amount of the additional issuance of new Series of Notes (if any) on such Issue Date.

**"Maximum Note Interest Rate"** means 2% in respect of the Class A Notes.

**"Minimum Effective Yield"** means, in relation to a Transfer Date and for a given Finance Agreement, the rate equal to 5.9% per annum.

**"Member State"** means, as the context may require, a member state of the European Union or of the European Economic Area.

**"Modification"** has the meaning given to that term in Condition 12(b)(ii) (*Amendments and waiver*).

**"Modification Certificate"** has the meaning given to that term in Condition 12(b)(ii) (*Amendments and waiver*).

**"Modification Noteholder Notice"** has the meaning given to that term in Condition 12(b)(iv)(2) (*Amendments and waiver*).

**"Modification Record Date"** has the meaning given to that term in Condition 12(b)(iv)(2) (*Amendments and waiver*).

**"Modified Following Business Day Convention"** means that if any due date specified in a Transaction Document for performing a certain task (in particular, payments of any amounts) is not a Business Day, such task shall be performed (a payment shall be made) on the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such task shall be performed on the immediately preceding Business Day.

**"Monthly Delinquency Ratio"** means, in relation to any Calculation Date, the ratio between:

- (a) the aggregate of:
  - (i) the Principal Outstanding Balance of all Delinquent Receivables in respect of which an amount is overdue for 30 calendar days or more on such Cut Off Date; and
  - (ii) the aggregate of the Principal Components unpaid of such Delinquent Receivables; and
- (b) the aggregate of the Principal Outstanding Balance of all Transferred Receivables at such Calculation Date.

**"Monthly Fees"** means, in respect of a Payment Date, the sum of:

- (a) 1/12th of the annual amount of Taxes payable by the Issuer in accordance with the applicable Priority of Payments;
- (b) the Issuer Profit Amount payable on such Payment Date in accordance with the applicable Priority of Payments;
- (c) 1/12th of the annual cost payable by the Issuer to the Security Trustee, the Note Trustee, any Receiver or any Appointee of the Security Trustee or the Note Trustee in accordance with the applicable Priority of Payments;
- (d) 1/12th of the annual fee payable to the Paying Agent and Registrar in accordance with the applicable Priority of Payments;
- (e) 1/12th of the annual fee payable to the Corporate Service Provider in accordance with the applicable Priority of Payments;
- (f) the monthly fee payable to the Servicer on such Payment Date in accordance with the applicable Priority of Payments;
- (g) the monthly fee payable to the Cash Manager on such Payment Date in accordance with the applicable Priority of Payments;
- (h) 1/12th of the annual fee payable to the Account Bank in accordance with the applicable Priority of Payments;
- (i) 1/12th of the annual cost payable by the Issuer to the Rating Agencies in accordance with the applicable Priority of Payments; and
- (j) 1/12th of the annual cost payable by the Issuer to the Back-Up Servicer Facilitator (if any) in accordance with the applicable Priority of Payments.

**"Monthly Receivables Purchase Amount"** means, in relation to any Transfer Date, the amount payable by the Issuer to the Seller in respect of the aggregate Initial Purchase Price of the Additional Transferred Receivables on such Transfer Date pursuant to the Master Receivables Transfer Agreement and, for the avoidance of doubt, subject to the conditions set out in clause 3.1(d) (*Offer*) and

the conditions precedent set out in clause 3.2 (*Conditions Precedent and Acceptance*) of the Master Receivables Transfer Agreement.

**"Most Senior Class of Notes"** means, at any time:

- (a) the Class A Notes;
- (b) if no Class A Notes are then outstanding, the Class B Notes.

**"New Vehicle"** means any car, light commercial vehicle, or demonstration vehicle which is not a Used Vehicle and which was registered with the Driver and Vehicle Licensing Agency produced under any brand and sold by a Car Dealer, purchased by an Obligor under a sale agreement and financed under the relevant Finance Agreement.

**"Nissan Group"** means the group of companies involved in the production of Nissan branded Vehicles.

**"Non-Compliant Receivables"** means any Transferred Receivables (excluding any Vehicle Sale Proceeds Receivables) (x) which is an Insurance Non-Compliant Receivable, or (y) in respect of which the Servicer amends, prolongs, modifies or waives the terms of such Transferred Receivables or amends, modifies or waives any term or condition of the related Finance Agreement the effect of which is:

- (a) to lower the Implicit Customer Rate payable by the Obligor under the relevant Finance Agreement to below the relevant Minimum Effective Yield of such Finance Agreement;
- (b) to grant payment extensions in respect of the relevant Finance Agreement of more than three months beyond the date of the Final Instalment under such Finance Agreement;
- (c) to change the scheduled frequency of payments received from the relevant Obligor to anything other than a monthly basis;
- (d) to reduce the Principal Outstanding Balance in respect of such Transferred Receivable; or
- (e) to grant payment deferrals or other options for assisting customers in respect of the relevant Finance Agreement pursuant to the FCA guidelines relating to Covid-19 support measures.

**"Note Principal Amount Outstanding"** means, with respect to any date, the amount of any Note (rounded downwards, if necessary, to the nearest GBP 0.01) equal to the initial principal amount of such Note as, on or before such date, reduced by all amounts paid prior to such date on such Note in respect of principal, if any, and increased by any Further Notes.

**"Note Acceleration Notice"** means the written notice served by the Note Trustee on the Issuer upon the occurrence of an Issuer Event of Default, with a copy to the Security Trustee, the Account Bank, the Seller, the Servicer, the Cash Manager and the Paying Agent in accordance with the Trust Deed.

**"Note Purchase Agreement"** means the subscription agreement entered into by the Issuer, the Seller, the Arranger and the Note Purchasers on or about the date of this Base Prospectus.

**"Note Purchaser"** means the purchaser of the Class A Notes or the Class B Notes, as applicable.

**"Note Interest Rate"** means the Class A Note Interest Rate or the Class B Note Interest Rate, as applicable.

**"Note Trustee"** means HSBC Corporate Trustee Company (UK) Limited, including its successors and assigns.

**"Noteholder"** or **"Holder"** means the person in whose name such Note is registered at that time in the Register (including, for the avoidance of doubt, in the case where any of the Notes are subject to a tender offer) or, in the case of a joint holding, the first named person; provided that, so long as any of

the Class A Notes are represented by a Global Note, the term "**Noteholder**" or "**Holder**" will include the persons for the time being set out in the records of Euroclear and/or Clearstream, Luxembourg, as the holders of a particular principal amount of such Class A Notes in units of £1,000 principal amount of Class A Notes for all purposes other than in respect of the payment of principal and interest on such Class A Notes, the right to which will be vested as against the Issuer solely in the Holder of each Global Note in accordance with and subject to its terms.

"**Notes**" means collectively the Initial Notes and any Further Notes.

"**NSS**" means the new safekeeping structure applicable to debt securities in global registered form recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations since 1 October 2010.

"**Obligor(s)**" means any individual resident in England, Wales, Scotland or Northern Ireland or any corporate entity registered in England, Wales, Scotland or Northern Ireland, who has entered into a Finance Agreement with the Seller to fund the purchase of a Vehicle.

"**Obligor Eligibility Criteria**" means the obligor eligibility criteria set out in Schedule 8 to the Master Receivables Transfer Agreement.

"**Obligors' Personal Data File**" means the file containing the personal data of the Obligors and the other information as set out in Schedule 2 (*Form of Obligors' Personal Data File*) of the Servicing Agreement.

"**Offer Date**" means, in respect of any Payment Date, the Calculation Date immediately before such Payment Date.

"**Option to Purchase Fee**" means any option to purchase fee specified in the relevant Finance Agreement as being payable by the relevant Obligor in order to become the owner of the Vehicle at the Maturity Date of the Finance Agreement.

"**Original Financing Amount**" means, in relation to a Finance Agreement, the amount of financing granted by the Seller to the Obligor on or around the Finance Agreement Effective Date, which will be equal to the sum of (i) the Acquisition Price, (ii) the road fund license (if any) and (iii) the first registration fee (if any) less any deposit paid by the Obligor in respect of the purchase of the related Vehicle.

"**Ordinary Resolution**" means in respect of the holders of any Class of Notes:

- (a) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of at least 50% of the Eligible Persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of at least 50% of the votes cast on such poll;
- (b) a resolution in writing signed by or on behalf of the Noteholders of at least 50% in aggregate Note Principal Amount Outstanding of the Notes, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders; or
- (c) consent given by way of electronic consents communicated through the electronic communications systems of the relevant Clearing System(s) to the Paying Agent or another specified Agent in accordance with the operating rules and procedures of the relevant Clearing System(s) by or on behalf of the Noteholders of not less than 50% in aggregate Note Principal Amount Outstanding of the relevant Class of Notes.

"**outstanding**" means, for any Class, all the Notes of that Class issued other than:

- (a) those which have been redeemed in full in accordance with their Conditions;



- (b) those in respect of which the due date for redemption has occurred in accordance with their Conditions and the redemption moneys and interest accrued thereon to the due date of such redemption and any interest payable after such date have been paid to the Note Trustee or to the Paying Agent in the manner provided in the Agency Agreement and remain available for payment against presentation and surrender of the relevant Notes;
- (c) those in respect of which claims have become void under their Conditions;
- (d) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued under their Conditions;
- (e) (for the purpose only of ascertaining the amount of a Class that is outstanding and without prejudice to their status for any other purpose) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued under their Conditions; and
- (f) any Global Note to the extent that it has been exchanged for the related Definitive Notes in each case under their respective provisions;

provided that for each of the following purposes, namely:

- (i) the determination of how many of which Notes of a Class are for the time being outstanding for the purposes of any provisions of their Conditions and the Trust Deed requiring calculation of the proportion of Noteholders of such Class requesting or directing the Note Trustee to enforce the security for such Class, or the provisions for meetings of the Noteholders of such Class set out in the Trust Deed;
- (ii) any discretion, power or authority which the Note Trustee is required or permitted, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders of such Class or any of them; and
- (iii) the determination by the Note Trustee whether, in its opinion, any event, circumstance, matter or thing is or would be materially prejudicial to the interests of the Noteholders or any of them,

those Notes of the relevant Class, if any, which are beneficially held by or for the account of the Issuer or the Seller will be deemed not to remain outstanding, unless they are together the sole beneficial holders of that Class of Notes and there are no other Notes outstanding at such time which rank junior or *pari passu* to the Notes held by the Issuer or the Seller.

**"Parent Company"** means the entity owning either directly or indirectly 100% of the share capital of the Seller. As at the Initial Issue Date, the Parent Company is RCI Banque SA.

**"Partial Early Amortisation"** means, during the Revolving Period, if a Partial Early Amortisation Event occurs, then, on the immediately following Payment Date, the Class A Notes and the Class B Notes will be subject to mandatory redemption in a total amount equal to the Partial Early Amortisation Amount.

**"Partial Early Amortisation Amount"** means the Class A Partial Early Amortisation Amount and the Class B Partial Early Amortisation Amount.

**"Partial Early Amortisation Event"** means the event occurring during the Revolving Period when:

- (a) one of the options to re-transfer Transferred Receivables pursuant to the clauses 7.3 (*Re-transfer Option*), 7.4 (*Re-transfer Option of Transferred Receivables in relation to Electric Vehicles*) and 7.5 (*Optional re-transfer of Defaulted Receivables*) of the Master Receivables Transfer Agreement is exercised by the Seller; or
- (b) during 2 consecutive Payment Dates, the Residual Revolving Basis is greater than 7.5% of the Aggregate Note Principal Amount Outstanding of all the Notes.

**"Payable Costs"** means, in relation to any Payment Date, the sum of:

- (a) the Monthly Fees;
- (b) and the Class A Notes Interest Amounts.

in both cases, in respect of such Payment Date.

**"Paying Agent"** means HSBC Bank plc, any successor thereof or any other Person appointed as replacement paying agent from time to time in accordance with the Agency Agreement.

**"Payment Date"** means the 20<sup>th</sup> of each calendar month, provided that if any such day is not a Business Day, such Payment Date shall be postponed to the first following day that is a Business Day; any reference to a Payment Date relating to a given Collection Period or Cut-Off Date shall be a reference to the Payment Date falling within the calendar month following such Collection Period or Cut-Off Date.

**"PCP Agreement"** means each personal contract purchase agreement entered into between an Obligor and the Seller substantially in the form set out in Schedule 4 (*Agreed form of Finance Agreements*) to the Master Receivables Transfer Agreement or as otherwise permitted pursuant to the terms of the Master Receivables Transfer Agreement.

**"Perfection Event"** means the occurrence of any of the following events:

- (a) a Servicer Termination Event;
- (b) a Seller Event of Default; or
- (c) it becomes necessary by law to perfect the Issuer's legal title to the Transferred Receivables, (or procure the perfection of the Issuer's legal title to the Transferred Receivables) in accordance with the terms of the Master Receivables Transfer Agreement.

**"Perfection Event Notice"** means in respect of a Transferred Receivable a notice sent to the Obligors of the Transferred Receivable (substantially in the form set out in Part A of Schedule 10 (*Form of Notification to Obligors and Form of Notification to RV Subcontractors/Car Dealers*) of the Master Receivables Transfer Agreement) stating that such Transferred Receivable has been assigned by the Seller to the Issuer pursuant to the Master Receivables Transfer Agreement and instructing the Obligors to make payments to the General Collection Account or any other account compliant with the Transaction Documents.

**"Performing Receivable"** means any Transferred Receivable (excluding any Vehicle Sale Proceeds Receivable) that is neither a Defaulted Receivable nor a Transferred Receivable that has been fully repaid or fully written off.

**"Permitted Indebtedness"** means any indebtedness of the Issuer:

- (a) under the Notes;
- (b) by way of Subordinated Loans made to the Issuer by the Subordinated Lender under the Subordinated Loan Agreement; and
- (c) arising under any other Transaction Document.

**"Permitted Security Interest"** means a Security Interest created pursuant to the Deed of Charge.

**"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, at any time, all Transferred Receivables and all other assets and rights relating to the related HP Agreements purported to be transferred or granted to the Issuer pursuant to the Master Receivables Transfer Agreement on the Initial Issue Date.

**"Portfolio Performance Criteria"** means, in respect of any Calculation Date, the Average Net Margin is equal to or above zero for the Payment Date immediately following such Calculation Date.

**"Portfolio Limits Criteria"** shall have the meaning given to it in Schedule 9 to the Master Receivables Transfer Agreement.

**"Post-Enforcement Period Priority of Payments"** means the priority of payments set out in Part C of Schedule 1 (*Priorities of Payment*) to the Cash Management Agreement.

**"Potential Event of Default"** means an event or circumstance that will with the giving of notice, lapse of time, making of a determination and/or a combination thereof become an Event of Default.

**"PRA"** means the Prudential Regulation Authority of the United Kingdom or any regulatory authority that may succeed it as a United Kingdom regulator.

**"Pre-Enforcement Amortisation Period"** means the period which shall take effect from (and including) the date of the occurrence of a Revolving Period Early Termination Event (provided that, on or prior to such date, a Note Acceleration Notice has not been delivered by the Note Trustee pursuant to the Trust Deed) to (but excluding) the date of the earliest of the occurrence of (a) the earlier of the date as of which the Class A Notes have been redeemed in full and the Legal Final Maturity Date of the Class A Notes or (b) the delivery of a Note Acceleration Notice by the Note Trustee pursuant to the Trust Deed.

**"Pre-Enforcement Amortisation Period Priority of Payments"** means the priority of payments set out in Part B of Schedule 1 (*Priorities of Payment*) to the Cash Management Agreement.

**"Preliminary Investor Report"** means the report prepared by the Cash Manager to (i) comply with Article 7(1)(e) of the EU Securitisation Regulation and containing all the relevant information required by the EU Article 7 Technical Standards and (ii) save to the extent that the Seller is permitted by the FCA to provide only an EU Investor Report, comply with Article 7(1)(e) of the UK Securitisation Regulation and containing all the relevant information required by the UK Article 7 Technical Standards.

**"Principal Amortised Amount"** means, in relation to any Payment Date, the sum of:

- (a) the Principal Payable Amount in respect of the immediately preceding Collection Period; and
- (b) the Principal Outstanding Balance of the Performing Receivables that have become Defaulted Receivables during such Collection Period; and
- (c) the aggregate amount of EC Return Loss of PCP Agreements for which (x) the relevant Obligor has not exercised its option to purchase the related Vehicle and (y) the EC Return Receivables have not been repurchased by the Seller and which have been determined during the preceding Collection Period.

**"Principal Amount"** means, in relation to any Collection Period, the sum of (without double counting):

- (a) the amounts of Principal Component received by the Issuer (or the Servicer) during that Collection Period in respect of Transferred Receivables (excluding any Vehicle Sale Proceeds Receivables and Recoveries) from Obligors or any person providing Collateral Security in respect of Transferred Receivables;
- (b) the Principal Outstanding Balance of Transferred Receivables which are Affected Receivables or Non-Compliant Receivables and which are repurchased by the Seller or, as the case may be, the Servicer on the Calculation Date immediately following such Collection Period;

- (c) to the extent that the relevant Transferred Receivable is neither a Defaulted Receivable nor a Delinquent Receivable, the amounts of Principal Component recoveries and insurance payments received by the Issuer (or the Servicer) during such Collection Period under any Insurance Policy in respect of any Transferred Receivable (excluding any Vehicle Sale Proceed Receivables);
- (d) the RV Receivables Repurchase Price received by the Issuer during such Collection Period in relation to EC Return Receivables and which are repurchased by the Seller on the Calculation Date falling immediately following such Collection Period;
- (e) any principal amount received by the Issuer in connection with (i) the Seller repurchasing Affected Receivables, (ii) the Seller repurchasing the Portfolio pursuant to clause 7.2 (*RV Receivables Repurchase Commitment*) of the Master Receivables Transfer Agreement, (iii) the Servicer purchasing the Non-Compliant Receivables or (iv) the Issuer otherwise selling any Transferred Receivables;
- (f) in respect of any Vehicle Sale Proceeds Receivables in relation to EC Return Receivables (excluding any Vehicle Sale Proceeds Receivable in respect of which the related Transferred Receivable has been sold by the Issuer), any Vehicle Sale Proceeds received by the Issuer (or the Servicer) during that Collection Period in respect of such Vehicle Sale Proceeds Receivables capped at the relevant amount of the Final Instalment of the relevant PCP Agreement.

**"Principal Component"** means:

- (a) in respect of any Instalment of a Finance Agreement received in full by the Issuer (or the Servicer) on the relevant Instalment Due Date, an amount equal to the difference between the amount of the relevant Instalment and the Interest Component of such Instalment; and
- (b) in respect of any amounts prepaid in full or in part (excluding Excluded Proceeds) in relation to any Transferred Receivable which is subject to an Early Settlement (the "**Prepaid Amount**") received on any date under the relevant Finance Agreement by the Issuer (or the Servicer), the Principal Component in respect of any such Prepaid Amount shall be an amount equal to the lesser of:
  - (i) the Prepaid Amount in respect of such Finance Agreement; and
  - (ii) the Principal Outstanding Balance of the Transferred Receivable relating to such Finance Agreement on such date.

**"Principal Outstanding Balance"** means, in respect of the Transferred Receivables (excluding any Vehicle Sale Proceeds Receivables and Recoveries) under a Finance Agreement:

- (a) on the Initial Issue Date or the relevant Transfer Date, the present value of all Instalments in respect of such Transferred Receivables (excluding any applicable Option to Purchase Fee) payable after such date, discounted by the Discount Rate as at the first Instalment Due Date immediately preceding such Transfer Date (the "**Initial Principal Outstanding Balance**"); or
- (b) on any date following the relevant Transfer Date, an amount equal to (i) the Initial Principal Outstanding Balance of such Transferred Receivables less (ii) the aggregate amount of the Principal Components of such Transferred Receivables which have been paid or have become due since the relevant Transfer Date up to the earlier of (x) such date which follows the relevant Transfer Date, and (y) the date when such Transferred Receivable became a Defaulted Receivable (if applicable).

**"Principal Payable Amount"** means on any Payment Date in respect of any given Collection Period, the sum of

- (a) the Principal Amount relating to such Collection Period; and

- (b) the aggregate amounts of Principal Component of the Instalments which were scheduled to be paid during such Collection Period in relation to Delinquent Receivables but were not paid.

**"Priority of Payments"** means the Revolving Period Priority of Payments, the Pre-Enforcement Amortisation Period Priority of Payments or the Post-Enforcement Period Priority of Payments (as applicable).

**"Programme"** means the GBP 1,600,000,000 programme for the issuance of asset backed notes described in the Base Prospectus.

**"Programme Limit"** means £1,000,000,000 of Class A Notes and £600,000,000 of Class B Notes.

**"Prospectus Regulation"** means Regulation (EU) 2017/1129.

**"Prudent Lender"** means a reasonably prudent FCA-regulated lender originating and servicing loans on terms similar to the Finance Agreements.

**"Purchase Price"** means, for each Transferred Receivable, the Initial Purchase Price plus the Deferred Purchase Price.

**"Purchase Shortfall"** means any of the following event :

- (a) for three (3) consecutive Payment Dates, the Residual Revolving Basis on each such date exceeded ten (10) per cent. of the Aggregate Notes Principal Amount Outstanding of all the Notes on each such date, after giving effect to any distributions to be made on the same date; or
- (b) during three (3) consecutive Payment Dates, no Eligible Receivable was purchased by the Issuer from the Seller, for any reason, including the event that any of the Conditions Precedent were not complied with on the due date.

**"Rating Agencies"** means Fitch and S&P.

**"Rating Agency Confirmation"** means, a confirmation in writing by the relevant Rating Agencies that the then current ratings of the Most Senior Class of Notes will not be downgraded, qualified or withdrawn as a result of the relevant event or matter provided that if: (a) a confirmation or affirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and (b) a written request for such confirmation affirmation or response is delivered to that Rating Agency by any of the Issuer, the Servicer and/or the Note Trustee, as applicable (each a **"Requesting Party"**) and one or more of the Rating Agencies (each a **"Non-Responsive Rating Agency"**) indicates that it does not consider such confirmation, affirmation or response necessary in the circumstances, the Requesting Party shall be entitled to disregard the requirement for a confirmation or affirmation of rating or other response by each Non-Responsive Rating Agency which provides such indication and proceed on the basis of the confirmations or affirmations of rating or other responses received by each other Rating Agency or, if all the Rating Agencies indicate that they do not consider such confirmation, affirmation or response necessary in the circumstances, on the basis that such confirmation or affirmation of rating or other response by a Rating Agency is not required in the particular circumstances of the request. If a Rating Agency does not respond to a written request for a confirmation or affirmation of rating such non response shall not be interpreted to mean that such Rating Agency has given any deemed confirmation or affirmation of rating or other response in respect of such action or step or any deemed indication that it does not consider such confirmation, affirmation or response necessary in the circumstances, provided that in the event of a non-response from all Rating Agencies, the Requesting Party will be entitled to proceed on the basis that such confirmation or affirmation of rating or other response by a Rating Agency is not required in the particular circumstances of the request.

**"RCI Group"** means RCI Banque S.A., the Seller and any of the Subsidiaries of RCI Banque S.A.

**"Regulatory Authority"** means the FCA, the FOS and any other governmental or regulatory body (whether in the UK or otherwise) that is (or, where the context requires in the relevant Transaction Document, has formerly been) responsible for the authorisation, regulation, licensing and/or supervision of firms carrying on financial services and lending business of any kind.

**"Resolution Authority"** means any body which has authority to exercise any Write-down and Conversion Powers.

**"Re-transfer Amount"** means, in relation to any Transferred Receivable referred to in a Re-transfer Request: (a) the corresponding Re-transfer Price; plus (b) an amount equal to the total of all additional, specific, direct and indirect, reasonable and justified costs and expenses incurred by the Issuer in relation to such Receivable and for which the Issuer has requested payment in writing, provided that such expenses shall not include the administrative costs borne by the Issuer in connection with its holding of such Receivable.

**"Re-transfer Date"** means the date of the retransfer to the Seller of any Re-transferred Receivables by the Issuer, pursuant to the provisions of the Master Receivables Transfer Agreement, which shall occur no later than on the Payment Date immediately following the date of acceptance of the Re-transfer Request.

**"Re-transfer Price"** means, in relation to any Transferred Receivable referred to in a Re-transfer Request, the price to be paid by the Seller to the Issuer for the retransfer of that Receivable, being:

- (a) its Principal Outstanding Balance, as of the Cut-Off Date preceding the corresponding Re-transfer Date (exclusive of VAT); plus
- (b) any amounts of principal and interest in arrears in respect of such Transferred Receivable.

**"Re-transfer Request"** means the written request to be delivered by the Seller to the Issuer to request the Issuer (copying the Cash Manager) to transfer back to the Seller any Transferred Receivables, pursuant to the provisions of the Master Receivables Transfer Agreement.

**"Re-transferred Receivable"** means any Receivable or Vehicle Sale Proceeds Receivable sold or transferred by the Issuer pursuant to clause 7 (*Repurchase and Sale of Transferred Receivables*) of the Master Receivables Transfer Agreement or clause 8 (*Repurchase of Non-Compliant Receivables*) of the Servicing Agreement or otherwise.

**"Receivable"** means each Sterling-denominated monetary obligation of the Obligors, arising from Finance Agreements and the related Ancillary Rights and, in relation to any Receivables transferred (or to be transferred) to the Issuer pursuant to the Master Receivables Transfer Agreement, shall include all the right, title, interest and benefit of the Seller in each such Receivable, including the right to demand, sue for, recover, receive and grant receipts for all amounts outstanding from time to time under each such Receivable, the unpaid amount thereof and the interest due or to become due under the related Receivable after the relevant Cut-off Date, including the principal balance of such Receivables as at the opening of business (London time) on the day immediately after the relevant Cut-off Date and all amounts payable under the Receivables after the relevant Cut-off Date.

**"Receivables Eligibility Criteria"** means the eligibility criteria set out in Schedule 7 to the Master Receivables Transfer Agreement.

**"Receivables Offer IT Files"** means the Initial Issue Date Receivables Offer IT File and the Additional Receivables Offer IT Files.

**"Receivables Representations"** means the representations and warranties given by the Seller pursuant to Schedule 6 to the Master Receivables Transfer Agreement.

**"Receiver"** or **"receiver"** means any receiver (including a receiver under the Law of Property Act 1925), receiver and manager or administrative receiver or any analogous officer in any jurisdiction (who in the

case of an administrative receiver is a qualified person in accordance with the Insolvency Act 1986) and who is appointed by the Security Trustee under the Deed of Charge in respect of the security and includes more than one such receiver and any substituted receiver.

**"Recovery(ies)"** means, in respect of a Collection Period, any amount received by the Servicer in connection with any Transferred Receivable that was a Defaulted Receivable or Delinquent Receivable at the commencement of such Collection Period.

**"Redelivered Vehicle"** means a Vehicle redelivered by the Obligor to the Servicer relating to a Transferred Receivable (excluding any Vehicle Sale Proceeds Receivable) which has become a RV Receivable.

**"Register"** means the register kept at the specified office of the Registrar on which will be entered the names and addresses of the holders of the Notes and the particulars of such Notes held by them and all transfers and redemptions of such Notes.

**"Registrar"** means HSBC Bank plc, acting through its office at 8 Canada Square, London, E14 5HQ.

**"Relevant Information"** means any information that is furnished by the Seller or the Issuer or their respective professional advisers (including legal advisors and auditors) in writing, directly or indirectly, to the Arranger and the Note Purchasers in connection with the Transaction.

**"Replacement Cash Manager"** means the replacement cash manager appointed pursuant to the terms of the Cash Management Agreement.

**"Repossessed Vehicle"** means a Vehicle repossessed by the Servicer relating to a Transferred Receivable which has become a Defaulted Receivable.

**"Repurchase Date"** means the date on which a Transferred Receivable is repurchased by the Seller pursuant to the Master Receivables Transfer Agreement or, in respect of any Transferred Receivable which has never existed, or ceases to exist, such that it is not outstanding on the date on which it would otherwise be due to be so repurchased, the date on which it would otherwise be due to be repurchased pursuant to the Master Receivables Transfer Agreement had such Transferred Receivable existed.

**"Repurchase Price"** means, in relation to any Affected Receivable or Non-Compliant Receivable, an amount equal to the Principal Outstanding Balance of such Receivable at the end of the Collection Period (exclusive of VAT) immediately preceding the repurchase of such Affected Receivable pursuant to clause 7 (*Repurchase and Sale of Transferred Receivables*) of the Master Receivables Transfer Agreement or the purchase of the Non-Compliant Receivable pursuant to clause 8 (*Repurchase of Non-Compliant Receivables*) of the Servicing Agreement, together with accrued but unpaid interest on such Receivable to the next following Cut-Off Date.

**"Required Ratings"** means:

(A) with respect to the Account Bank:

- (i) a long-term deposit rating or, if no long-term deposit rating is assigned, a long-term issuer default rating by Fitch of at least "A" or a short-term deposit rating or, if no short-term deposit rating is assigned, a short-term issuer default rating by Fitch of at least "F1"; and
- (ii) its unsecured, unsubordinated and unguaranteed long-term debt obligations being rated at least "A" by S&P or its unsecured, unsubordinated and unguaranteed short-term debt obligations are rated at least "A-1" by S&P; and

(B) with respect to the Servicer Collection Account Bank:

- (i) its unsecured, unsubordinated and unguaranteed long-term debt obligations being rated at least "BBB" by S&P or its unsecured, unsubordinated and unguaranteed short-term debt obligations are rated at least "A-2" by S&P,

or such other rating or ratings as may be agreed by the relevant Rating Agency from time to time (or as are consistent with the then published criteria of the relevant Rating Agency) as would maintain the then current ratings of the Notes.

**"Residual Revolving Basis"** means:

- (a) on the Initial Issue Date, the positive difference between:
  - (i) the Initial Note Principal Amount;
  - (ii) the Initial Principal Outstanding Balance of the Transferred Receivables as at the Initial Issue Date;
- (b) on each Payment Date falling within the Revolving Period, the positive difference between:
  - (i) the Available Revolving Basis as at such Payment Date; and
  - (ii) the Monthly Receivables Purchase Amount as at such Payment Date.

**"Revolving Account"** means the bank account opened by the Issuer with the Account Bank (with account number 22422568 and IBAN GB77LOY30801222422568) which will be credited with the Residual Revolving Basis.

**"Revolving Basis"** means, on any Payment Date during the Revolving Period, the Principal Amortised Amount.

**"Revolving Period"** means the period of time beginning on (and including) the Initial Issue Date and ending on the Revolving Period Termination Date.

**"Revolving Period Early Termination Date"** means the date on which a Revolving Period Early Termination Event occurs.

**"Revolving Period Early Termination Event"** means the occurrence of any of the following events:

- (a) an Issuer Event of Default occurs;
- (b) a Seller Event of Default occurs;
- (c) a Servicer Termination Event occurs;
- (d) a Perfection Event occurs;
- (e) any of the Portfolio Performance Criteria are not satisfied;
- (f) a Purchase Shortfall occurs;
- (g) the Cash Manager becomes aware that, in relation to any Transfer Date, the Seller is under an obligation but is not able to transfer additional Receivables to the Issuer (except if such inability is due to technical reasons and is remedied on the following Transfer Date);
- (h) no Eligible Receivables have been purchased by the Issuer from the Seller on three successive Payment Dates relating to Collection Periods falling within the Revolving Period, for any reason; or
- (i) it becomes unlawful or contrary to regulation in any applicable jurisdiction for the Issuer to purchase any additional Receivables.



**"Revolving Period Priority of Payments"** means the priority of payments set out in Part A of Schedule 1 (*Priorities of Payment*) to the Cash Management Agreement.

**"Revolving Period Scheduled End Date"** means the Payment Date falling in September 2025 (included).

**"Revolving Period Termination Date"** means the earlier of (i) the Revolving Period Scheduled End Date (included) and (ii) the Revolving Period Early Termination Date (excluded).

**"Retention Requirements"** means Article 6 of the UK Securitisation Regulation and Article 6 of the EU Securitisation Regulation.

**"Risk Retention U.S. Person"** means a U.S. person as defined in the U.S. Risk Retention Rules.

**"RV Default Calculation Date"** means, in relation to a Transferred Receivable, the second Cut-Off Date following the date on which such Transferred Receivable became an EC Return Receivable.

**"RV Receivables"** means any Transferred Receivables (excluding any Vehicle Sale Proceeds Receivables) in respect of which one of the following events occurs:

- (a) a Voluntary Termination Event; or
- (b) such Transferred Receivables becoming EC Return Receivables.

**"RV Receivables Repurchase Commitment"** has the meaning given to it in clause 7.2 of the Master Receivables Transfer Agreement.

**"RV Receivables Repurchase Price"** means, in relation to any RV Receivable, an amount equal to the Principal Outstanding Balance of such Receivable at the end of the Collection Period (exclusive of VAT) immediately before the Transferred Receivable became an RV Receivable.

**"RV Subcontractors"** means any third party (including any auctioneers) appointed by the Seller, the Issuer or the Servicer to provide sales services in relation to Redelivered Vehicles.

**"S&P"** means S&P Global Ratings UK Limited.

**"Sanctions"** means any economic or financial sanctions, trade embargoes or similar measures enacted, administered or enforced by any of 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.

**"Sanctions Target"** means an individual or entity ("**Person**") that is, or is owned or controlled by Persons that are, (i) a target of any Sanctions or (ii) located, organised or resident in a country or territory that is the target of or subject to general or country-wide Sanctions, currently, the Crimea region, Cuba, Iran, North Korea and Syria, other than, in each case, to the extent that such representation and warranty would result in a violation of Council Regulation (EC) No 2271/96, as amended (or any law or regulation implementing such Regulation in any member state of the European Union or the United Kingdom) or any similar blocking or anti-boycott law in the United Kingdom.

**"Scottish Declarations of Trust"** means each declaration of trust by the Seller in favour of the Issuer expressed to be governed by Scots law entered into pursuant to clause 2.7 or clause 3.4 of the Master Receivables Transfer Agreement in substantially the form set out in Schedule 12 (*Form of Scottish Declaration of Trust*) of the Master Receivables Transfer Agreement.

**"Scottish Deed of Charge"** means each Scots law assignment in security granted by the Seller in favour of the Issuer, pursuant to clause 3.7 (*Scottish Receivables*) of the Deed of Charge in substantially the form set out in Schedule 3 (*Form of Scottish Deed of Charge*) of the Deed of Charge.

**"Seasoning"** means, in respect of a Performing Receivable and any Cut-Off Date, the number of months elapsed between the relevant Finance Agreement Effective Date and the Instalment Due Date relating to such Transferred Receivable (excluding any Vehicle Sale Proceeds Receivable) preceding such Cut-Off Date.

**"Secured Creditors"** means the Noteholders, the Corporate Services Provider, the Cash Manager, the Account Bank, the Subordinated Lender, the Paying Agent, the Registrar, the Note Trustee, the Security Trustee, the Seller, the Servicer, the Back-Up Servicer Facilitator and any Receiver and any other party which becomes a secured creditor pursuant to the Deed of Charge.

**"Secured Obligations"** means all duties and liabilities (present and future, actual and contingent) of the Issuer which the Issuer has covenanted with the Security Trustee to pay to the Noteholders and the other Secured Creditors pursuant to the Deed of Charge.

**"Securities Act"** means the United States Securities Act of 1933, as amended.

**"Securitisation Regulations"** means the UK Securitisation Regulation and the EU Securitisation Regulation.

**"Security"** means all Adverse Claims from time to time created by the Issuer in favour of the Security Trustee (as trustee on behalf of itself and the other Secured Creditors) pursuant to the Deed of Charge.

**"Security Interest"** means:

- (a) a mortgage, charge, pledge, lien, assignation in security, encumbrance or other security interest securing any obligation of any person;
- (b) any arrangement under which money or claims to, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts so as to effect payment of sums owed or payable to any person; or
- (c) any other type of preferential arrangement (including title transfer and retention arrangements) having a similar effect.

**"Security Trustee"** means HSBC Corporate Trustee Company (UK) Limited, including its successors and assigns.

**"Seller"** means RCI Financial Services Ltd.

**"Seller Event of Default"** means the occurrence of any of the following events:

- (a) an Event of Default occurs with respect to the Seller; or
- (b) any payment obligation of the Seller under any Transaction Documents to which the Seller is party is or becomes, for any reason, ineffective, or unenforceable, except if this is capable of remedy and is remedied by the Seller within two Business Days.

**"Seller Performance Criteria"** means:

- (a) the continuation of all Supplementary Services in accordance with the Underwriting and Collection Procedures of the Seller and the provisions of the Transaction Documents and the payment by the Seller of all amounts (including amounts described in paragraphs (a), (b) and (c) of the definition of "Collections") collected by the Seller in relation to the Transferred Receivables to the General Collection Account as soon as reasonably practicable after the Seller receives such amounts; and
- (b) in the event that any Obligor defaults under the relevant Finance Agreement in respect of a Transferred Receivable or the related Transferred Receivable (excluding any Vehicle Sale Proceeds Receivables) becomes an RV Receivable, the recovery (or attempted recovery) and

sale of the relevant Vehicle in accordance with the Underwriting and Collection Procedures of the Seller and the payment by the Seller of the relevant Vehicle Sale Proceeds to the General Collection Account as soon as reasonably practicable after the Seller receives such Vehicle Sale Proceeds.

**"Seller Power of Attorney"** means the power of attorney granted in favour of the Issuer pursuant to the Master Receivables Transfer Agreement.

**"Series"** means a series of a Class of Notes issued on a single date and subject to the same Conditions.

**"Servicer"** means RCI Financial Services Ltd or at any time the Person then authorised pursuant to the Servicing Agreement to service, administer and collect the Transferred Receivables.

**"Servicer Collection Account"** means the account held in the name of the Servicer (with sort code 60-17-32 and account number 10616098) into which amounts received from Obligors in respect of the Transferred Receivables are made.

**"Servicer Collection Account Bank"** means National Westminster Bank plc.

**"Servicer Collection Account Declaration of Trust"** means the declaration of trust granted by the Servicer as supplemented by a supplemental collection account declaration of trust on or about the Initial Issue Date, in favour of, among others, the Issuer over the aggregate amount standing to the credit of Servicer Collection Account which relates to Transferred Receivables.

**"Servicer Termination Event"** means the occurrence of any of the following events:

- (a) an Event of Default occurs with respect to the Servicer;
- (b) any payment obligation of the Servicer under any Transaction Document to which the Servicer is party is or becomes, for any reason, ineffective, or unenforceable, except if this is capable of remedy and is remedied by the Servicer within two Business Days; or
- (c) the appointment of the Servicer is terminated and no replacement servicer is appointed in accordance with the terms of the Servicing Agreement.

**"Servicing Agreement"** means the servicing agreement entered into between, *inter alios*, the Issuer, the Servicer, the Back-Up Servicer Facilitator and the Security Trustee on or about the Initial Issue Date.

**"Servicing Fee"** has the meaning given to it in clause 13 (*Fees, Costs and Expenses*) of the Servicing Agreement.

**"Servicing Report"** means the report to be provided by the Servicer on each Information Date to the Cash Manager with respect to the relevant Collection Period in order to:

- (i) comply with Article 7(1)(a) of the EU Securitisation Regulation, containing loan by loan and other information in relation to the Portfolio and containing all the relevant information required by the EU Article 7 Technical Standards (such report being the **"EU Servicing Report"**); and
- (ii) save to the extent that the Seller is permitted by the FCA to provide only an EU Servicing Report, comply with Article 7(1)(a) of the UK Securitisation Regulation, containing loan by loan and other information in relation to the Portfolio and containing all the relevant information required by the UK Article 7 Technical Standards.

**"Share Capital Loan"** means the loan under the share capital loan agreement dated 9 August 2021 between Holdings and the Share Trustee.

**"Share Trustee"** means Intertrust Corporate Services Limited.

**"Signing Date"** means 5 October 2021.

**"Single Obligor Concentration"** means, in respect of any Calculation Date, and of Transferred Receivables (excluding any Vehicle Sale Proceeds Receivable), the ratio of:

- (a) the aggregate amount of the Principal Outstanding Balances of the Performing Receivables owed by any Obligor as of the Cut-Off Date preceding such Calculation Date; to
- (b) the sum of the Principal Outstanding Balances of all Performing Receivables as of the Cut-Off Date immediately preceding that Calculation Date,

provided that, for the purposes of calculating this ratio, the additional Receivables proposed to be purchased on the next following Payment Date shall be considered to be Transferred Receivables.

**"Standard of Care"** means, in relation to the Servicer, that the Servicer shall perform its obligations under the Transaction Documents in good faith and with reasonable skill and care (i) in a manner consistent with policies, practices and procedures (the **"Minimum Customary Procedures"**) generally followed by reputable and prudent finance providers in the United Kingdom in respect of receivables similar in nature and character to the Receivables (**"comparable receivables"**) from time to time; and (ii) in a manner consistent with the Underwriting and Collection Procedures in force at such time if these are more rigorous than the Minimum Customary Procedures using that degree of skill and attention that the Servicer exercises with respect to comparable receivables that it owns beneficially and not discriminating its servicing and administration of Transferred Receivables relative to its servicing and administration of receivables beneficially owned by it.

**"Subordinated Lender"** means RCI Financial Services Ltd.

**"Subordinated Loan"** means any loan advanced by the Subordinated Lender to the Issuer pursuant to the Subordinated Loan Agreement in order to fund the General Reserve. On the Initial Issue Date the outstanding amount of the Subordinated Loan will be £10,417,000.00.

**"Subordinated Loan Advance"** means the amount of the Subordinated Loan to be advanced to the General Reserve Account to reflect the increase in the General Reserve Required Level following the Further Issue Date.

**"Subordinated Loan Advance Repayment Amount"** means the amount payable to the Subordinated Lender in accordance with the applicable Priority of Payments.

**"Subordinated Loan Agreement"** means the agreement so named dated the Initial Issue Date between the Issuer and the Subordinated Lender.

**"Subsidiary"** or **"subsidiary"** means a subsidiary within the meaning of section 1159 of the Companies Act 2006 or a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.

**"Supplementary Service"** means, in relation to any Receivables, any insurance or supplementary service relating thereto (including the provision of any Insurance Policy, or other service in connection with the relevant Finance Agreement).

**"Tax"** means any tax, levy, impost, duty or other charge or withholding of a similar nature imposed in any jurisdiction (including any penalty or interest payable in connection with any failure to pay or any delay in paying the same).

**"Tax Authority"** means any authority competent to collect, assess or administer Tax.

**"Tax Deduction"** means a deduction or withholding for or on account of Tax from a payment under a Transaction Document, other than a FATCA Deduction.

**"Tax Information Arrangement"** means any governmental or inter-governmental arrangement, or other arrangement between competent authorities, for the cross-border exchange of tax information applicable in any jurisdiction (or any treaty, law, regulation, or official guidance enacted, issued or

amended in any jurisdiction which facilitates the implementation of such arrangement) including (without limitation) FATCA, any arrangement analogous to FATCA, the OECD global standard for automatic and multilateral exchange of financial information between tax authorities (also known as the "Common Reporting Standard") and any bilateral or multilateral tax information agreement between the United Kingdom and any other jurisdiction(s).

**"Test Date"** means the date the Seller Performance Criteria are tested by the Servicer in accordance with clause 10 (*Reporting*) of the Servicing Agreement.

**"Transaction"** means the securitisation transaction in connection with which the Notes are issued and to which the Transaction Documents refer.

**"Transaction Documents"** means the Trust Deed, the Deed of Charge (and any document entered into pursuant thereto and the Issuer Power of Attorney), the Agency Agreement, the Bank Account Agreement, the Cash Management Agreement, the Master Receivables Transfer Agreement, the Seller Power of Attorney, the Servicing Agreement, the Global Notes representing the Class A Notes, the Definitive Notes, the Note Purchase Agreement, the Master Definitions Agreement, the Subordinated Loan Agreement, the Servicer Collection Account Declaration of Trust, the Corporate Services Agreement, the Vehicle Floating Charge, the Scottish Declaration of Trust and the Issuer ICSDs Agreement and other agreement entered into between the Transaction Parties from time to time which designated as a "Transaction Document" by the parties thereto.

**"Transaction Party"** means a party to a Transaction Document.

**"Transfer Date"** means the Initial Issue Date and each Payment Date falling within the Revolving Period on which a Receivable is transferred by the Seller to the Issuer; any reference to a Transfer Date relating to a given Collection Period or Cut-Off Date shall be a reference to the Transfer Date falling within the calendar month following such Collection Period or Cut-Off Date.

**"Transfer Document"** means the First Receivables Offer and each Additional Receivables Offer sent by the Seller to the Issuer and counter-signed by the Issuer.

**"Transferred Receivable"** means any First Transferred Receivable or any Additional Transferred Receivable included in the Portfolio which:

- (a) remains outstanding; and
- (b) has not been repurchased by the Seller or the Servicer.

**"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 the Initial Issue Date between the Issuer, the Note Trustee and the Security Trustee.

**"TSC Regulations"** means the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (as amended).

**"UCPD"** means the Unfair Commercial Practices Directive No 2005/29.

**"UK"** or **"United Kingdom"** means the United Kingdom of Great Britain and Northern Ireland.

**"UK Article 7 ITS"** means the EU Article 7 ITS as it forms part of UK domestic law by virtue of the EUWA and any relevant laws, instruments, regulations, rules, guidance, policy statements, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto.

**"UK Article 7 RTS"** means the EU Article 7 RTS as it forms part of UK domestic law by virtue of the EUWA and any relevant laws, instruments, regulations, rules, guidance, policy statements, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto.

**"UK Article 7 Technical Standards"** means the UK Article 7 RTS and the UK Article 7 ITS.

**"UK Bail-In Legislation"** means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

**"UK CRA Regulation"** means Regulation (EC) No 1060/2009 of the European Parliament on credit rating agencies, as amended by Regulation (EU) No 513/2011 and by Regulation (EU) No 462/2013 as it forms part of UK law by virtue of the EUWA.

**"UK CRR"** means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 as it forms part of UK domestic law by virtue of the EUWA.

**"UK GDPR"** means the General Data Protection Regulation 2016/679 as it forms part of retained EU law (as defined in the European Union (Withdrawal) Act 2018).

**"UK Insolvency Regulation"** means the EU Insolvency Regulation, as it forms part of domestic law of the United Kingdom by virtue of the EUWA and the Insolvency (Amendment) (EU Exit) Regulations 2009, SI 2019/146.

**"UK Market Abuse Regulation"** means the EU Market Abuse Regulation and any implementing laws or regulations in force in the United Kingdom in relation to the EU Market Abuse Regulation or amending the EU Market Abuse Regulation as it will apply in the United Kingdom (together with applicable directions, secondary legislation, guidance, regulatory technical standards, implementing technical standards and related documents published by the FCA and the PRA of the United Kingdom).

**"UK Securitisation Regulation"** means Regulation (EU) No 2017/2402 as it forms part of UK domestic law by virtue of the EUWA together with applicable secondary legislation, guidance, regulatory technical standards, implementing technical standards and related documents published by the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto.

**"UK SR Inside Information and Significant Event Report"** means the inside information or significant event information report prepared as required by and in accordance Article 7(1)(f) and/or Article 7(1)(g) (as applicable) of the UK Securitisation Regulation and the UK Article 7 Technical Standards.

**"UK STS Notification"** means the notification to be submitted to the FCA in accordance with Article 27 of the UK Securitisation Regulation confirming that the requirements of Articles 18 to 22 of the UK Securitisation Regulation have been satisfied.

**"UNCITRAL Implementing Regulations"** means the UNCITRAL (United Nations Commission on International Trade Law) Model Law implemented in Great Britain on 4 April 2006 by the Cross-Border Insolvency Regulations (2006) (*SI 2006/1030*).

**"Underwriting and Collection Procedures"** means the Servicer's underwriting and collection procedures set out in Schedule 1 to the Servicing Agreement or as amended from time to time in accordance with the terms of the Servicing Agreement.

**"Utilisation Request"** means in respect of the Subordinated Loan, a request substantially in the form set out in Schedule 2 (*Form of Utilisation Request*) to the Subordinated Loan Agreement.

**"United States"** means, for the purpose of the Transaction, the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

**"U.S. Person"** means a U.S. person as defined in Regulation S.

**"U.S. Risk Retention Rules"** means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the Exchange Act, as amended, adopted pursuant to the requirements of Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

**"Used Vehicle"** means any car or light commercial vehicle, being a private vehicle or a commercial vehicle, which, at the Finance Agreement Effective Date of the relevant Finance Agreement:

- (a) has had at least one previous owner or has an age above six months; and
- (b) was sold by a Car Dealer, purchased by an Obligor and financed under such Finance Agreement or a previous Finance Agreement.

**"Used Vehicle Financing Ratio"** means, in respect of any Calculation Date and any Transferred Receivables (excluding any Vehicle Sale Proceeds Receivables), the ratio of:

- (a) the aggregate amount of the Principal Outstanding Balances of the Performing Receivables relating to the financing of Used Vehicles as of the Cut-Off Date preceding such Calculation Date; to
- (b) the sum of the Principal Outstanding Balances of all Performing Receivables as of the Cut-Off Date immediately preceding that Calculation Date,

provided that, for the purposes of calculating this ratio, the additional Receivables proposed to be purchased on the next following Payment Date shall be considered to be Transferred Receivables.

**"VAT"** or **"Value Added Tax"** means (i) any value added tax imposed by VATA; (ii) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and (iii) any other tax of a similar nature, whether imposed in the United Kingdom or in a Member State of the European Union in substitution for, or levied in addition to, such tax referred to in (i) or (ii), or imposed elsewhere.

**"VATA"** means the Value Added Tax Act 1994.

**"VAT Component"** means, to the extent that any Collections in respect of a Transferred Receivable are subject to VAT (other than at the zero rate), an amount equal to the VAT forming part of the consideration for the taxable supply.

**"Vehicle"** means, as the case may be, a Used Vehicle or a New Vehicle.

**"Vehicle Floating Charge"** means the floating charge dated on or about the Initial Issue Date pursuant to which the Seller grants a floating charge in favour of the Issuer over the Vehicles financed under Finance Agreements relating to Transferred Receivables and any Vehicle Sale Proceeds received by the Seller in respect of such Vehicles.

**"Vehicle Sale Proceeds"** means the net proceeds of the sale (exclusive of any VAT) of the Vehicles that are or were financed under the relevant Finance Agreement.

**"Vehicle Sale Proceeds Receivable"** means, in relation to any Redelivered Vehicle and any Repossessed Vehicle, the right of the Seller to receive the Vehicle Sale Proceeds arising from the sale of such related Redelivered Vehicle or Repossessed Vehicle to a third party.

**"Volcker Rule"** means Section 619 of the Dodd-Frank Act and any relevant implementing provisions thereof.

**"Voluntary Termination Event"** means the exercise by an Obligor of its rights to terminate a Finance Agreement in accordance with the Consumer Credit Act.

**"Voluntarily Terminated Receivable"** means a Transferred Receivable in relation to which a Voluntary Termination Event has occurred and is continuing.

**"Weighted Average Seasoning"** means, in respect of any Calculation Date and any Transferred Receivables (excluding any Vehicle Sale Proceeds Receivables), a number of months (including any part thereof) equal to:

- (a) the sum of the products, on a Receivable by Receivable basis, of the Seasoning of each Performing Receivable as of the Cut-Off Date immediately preceding such Calculation Date and the Principal Outstanding Balance of such Performing Receivable as of the Cut-Off Date immediately preceding such Calculation Date; divided by
- (b) the sum of the Principal Outstanding Balances of all Performing Receivables as of the Cut-Off Date immediately preceding that Calculation Date, provided that, for the purposes of calculating such number of months, the additional Receivables proposed to be purchased on the next following Payment Date shall be considered to be Transferred Receivables.

**"Write-down and Conversion Powers"** means in relation to the UK Bail-In Legislation, any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers.

**"Written Resolution"** means, in respect of a Class of Notes, a resolution referred to in paragraph (a)(ii) of the definition of Extraordinary Resolution or Ordinary Resolution above.



## INDEX OF DEFINED TERMS

Account Bank .....	86	EU MIFID II .....	115
Additional FCA Tailored Support Guidance	5	EU Servicing Report .....	57, 83
Additional Transferred Receivables .....	ii	EU SR Inside Information and Significant Event Report .....	58, 83
Affected Receivables .....	10, 40, 121	EU STS Criteria .....	26
Agency Agreement .....	86	EU STS Notification .....	vi, 74
Bank Account Agreement .....	86	EU STS Securitisation .....	26
Banking Act .....	139	Euroclear .....	viii
Basic Terms Modification .....	105	Euronext Dublin .....	v
Book-Entry Interests .....	85	Eurosystem eligible collateral .....	30
Breathing Space Regulations .....	27	EUWA .....	23
BRRD .....	140	Event of Default .....	103
BRRD II .....	140	Extraordinary Resolution .....	105
BRRD Order .....	140	FCA .....	v, 9
Cash Management Agreement .....	87	FCA Payment Deferral Guidance .....	5
Cash Manager .....	86	FCA Tailored Support Guidance .....	6
CCA .....	9, 74	FCPA .....	120
Central Bank .....	v	Final Repurchase Price .....	99
Class A Noteholder .....	88	Final Terms .....	ii, 86
Class A Notes .....	88	First Transferred Receivables .....	ii
Class B Noteholder .....	88	Fitch .....	iii
Class B Notes .....	88	foreign passthru payments .....	212
Clean-Up Call .....	42, 99, 123	FSMA .....	9, 215
Clean-Up Call Conditions .....	99	Further Notes .....	ii
Clearing System Business Day .....	85	Global Note .....	ii, viii, 86
Clearstream, Luxembourg .....	viii	Holder .....	88
COBS .....	xi, 115	Holdings .....	86, 204
comparable receivables .....	20	IGAs .....	212
CONC .....	9, 74	ILTR .....	vi, 30
Conditions .....	86, 87	Income Tax Act .....	212
Consumer Protection Regulations .....	81	Initial Issue Date .....	ii, 86
Corporate Services .....	131	Initial Notes .....	ii
Corporate Services Agreement .....	86	Insurance Distribution Directive .....	xii, 216
Corporate Services Provider .....	86, 208	Interest Amount .....	97
Covid-19 .....	5, 23	Interest Period .....	97
Covid-19 Pandemic .....	24	Interest Shortfall .....	100
CPR .....	200	Investment Company Act .....	vi
credit .....	150	IP Completion Time .....	23
Credit Impaired Debtor .....	147	Issuer .....	i, 72, 86, 202
Deed of Charge .....	86	Issuer Event of Default .....	103
default events .....	139	Issuer ICSDs Agreement .....	87
Definitive Notes .....	85	Master Definitions Agreement .....	87
distributor .....	xi, 115	Master Receivables Transfer Agreement ..	86
Dodd-Frank Act .....	vi	MiFID II .....	216
DWF .....	vi, 30	Minimum Customary Procedures .....	20
Early Settlement Regulations .....	75	Modelling Assumptions .....	200
EEA .....	vii	Modification .....	108
ESMA .....	iv, 17	Modification Certificate .....	108
establishment .....	95	Modification Noteholder Notice .....	109
EU .....	iv	Modification Record Date .....	109
EU CRA Regulation .....	iv	Note Principal Amount Outstanding .....	100
EU Investor Report .....	57, 83		

Note Trustee .....	86	SEC .....	vi
Noteholder .....	88	Securities Act.....	vii, 214, 215
Notes .....	i, 72, 86	Security.....	86
Obligors .....	ii	Security Trustee .....	86
Official List .....	v	Seller.....	ii, 86
originator.....	141	Seller Information .....	ix
Paying Agent .....	86	Seller Power of Attorney.....	13, 87
Portfolio.....	152	Series.....	ii, 86
Portfolio Limits Criteria .....	145	Servicer.....	86
PRIIPs Regulation .....	xii	Servicer Collection Account Declaration of Trust.....	87
professional diligence.....	81	Servicing Agreement .....	86
Programme .....	i, 86, 115	Subordinated Lender.....	iii
Prospectus Regulation .....	v, 216	Trade and Cooperation Agreement.....	23
RAO .....	74	Transaction Documents .....	87
Receivables Representations .....	39	Transferred Receivables .....	ii
recognised stock exchange.....	212	Trust Deed.....	86
Register .....	87	U.S. Persons .....	vii
Registrar .....	86	U.S. Risk Retention Rules.....	vii, 214
Regulated Finance Agreements.....	9	UCITs.....	25
Regulated Market .....	v	UCPD.....	80
Regulation S .....	x	UK Bribery Act .....	120
Relevant Date.....	145	UK CRA Regulation.....	iii
relevant entity .....	139	UK MiFIR .....	xi, 115
Relevant Person.....	49, 69, 103	UK MiFIR Product Governance Rules xi, 115	
reporting entity.....	123	UK PRIIPs Regulation .....	xi
Required Ratings.....	133	UK SR Inside Information and Significant Event Report .....	58, 83
Restructuring Plan.....	21	UK STS Criteria .....	26
retail investor .....	216	UK STS Notification.....	v, 73
Revolving Period .....	iii	UK STS Securitisation.....	26
Revolving Period Scheduled End Date.....	ii	unfair relationship .....	77
Revolving Period Termination Date .....	iii	UTCC Regulations.....	79
Risk Retention U.S. Person.....	28	Vehicle Floating Charge .....	48, 87
Risk Retention U.S. Persons.....	vii, 214	Volcker Rule .....	vi
RV Receivables Repurchase Commitment .....	11, 40, 121	WAL .....	200
S&P.....	iii	Withdrawal Agreement.....	23
Scottish Declarations of Trust .....	87		

**REGISTERED OFFICE OF THE ISSUER**

**CARS ALLIANCE UK MASTER PLC**

1 Bartholomew Lane  
London EC2N 2AX  
United Kingdom

**THE SELLER AND SERVICER**

**RCI Financial Services Ltd**

Rivers Office Park  
Denham Way  
Rickmansworth  
WD3 9YS  
United Kingdom

**THE ARRANGER**

**HSBC Bank plc**

8 Canada Square, London E14 5HQ

**THE NOTE TRUSTEE AND SECURITY TRUSTEE**

**HSBC Corporate Trustee Company (UK) Limited**

8 Canada Square, London E14 5HQ

**THE ACCOUNT BANK**

**Lloyds Bank plc**

25 Gresham Street, London EC2V 7HN

**THE PAYING AGENT AND  
REGISTRAR**

**HSBC Bank plc**

8 Canada Square, London E14 5HQ

**THE CASH MANAGER**

**Eurotitrisation SA**

12 rue James Watt,  
93200 Saint-Denis, France

**LEGAL ADVISORS**

*Counsel to the Seller and the Servicer*

**Hogan Lovells International LLP**

Atlantic House  
Holborn Viaduct  
London EC1A 2FG  
United Kingdom

*as to Scots law*

**CMS Cameron McKenna Nabarro Olswang LLP**

Saltire Court, 20 Castle Terrace  
Edinburgh EH1 2EN  
United Kingdom

*as to Northern Irish law*

**Cleaver Fulton Rankin**

50 Bedford Street  
Belfast BT2 7FW  
Northern Ireland

*Counsel to the Note Trustee and the Security Trustee*

**Linklaters LLP**

1 Silk Street  
London EC2Y 8HQ  
United Kingdom

**IRISH LISTING AGENT**

**McCann FitzGerald Listing Services Limited**

Riverside One  
Sir John Rogerson's Quay  
Dublin 2, Ireland