
IMPORTANT NOTICE

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

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

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

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

This prospectus has been delivered to you on the basis that you are a person into whose possession this prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. By accessing the prospectus, you shall be deemed to have confirmed and represented to us that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of the prospectus by electronic transmission, (c) you are not a U.S. person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this email has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia and (d) if you are a person in the United Kingdom, then you are a person who (i) has professional experience in matters relating to investments or (ii) is a person falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons together being referred to as **Relevant Persons**). Any investment or investment activity to which this prospectus relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

This prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither Motor 2016-1 PLC nor the Managers nor any person who controls any such person nor any director, officer, employee or agent or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the prospectus distributed to you in electronic format and the hard copy version available to you on request from the Managers.

MOTOR 2016-1 PLC

(incorporated with limited liability in England and Wales under registered number 9713005)

(the Issuer)

Notes	Initial Principal Amount	Issue Price	Interest Rate	Redemption Profile	Legal Maturity Date	Expected Ratings (S&P/Moody's)
Class A	£528,000,000	100%	1.30%	Pass through redemption	Payment Date falling in November 2025	AAA(sf) / Aaa (sf)
Class B	£15,000,000	100%	1.80%	Pass through redemption	Payment Date falling in November 2025	AAA(sf) / Aa2 (sf)
Class C	£30,000,000	100%	3.75%	Pass through redemption	Payment Date falling in November 2025	A(sf) / A1 (sf)
Class D	£9,000,000	100%	4.25%	Pass through redemption	Payment Date falling in November 2025	A-(sf) / Baa1 (sf)
Class E	£13,000,000	100%	5.25%	Pass through redemption	Payment Date falling in November 2025	BBB(sf) / Baa3 (sf)
Class F	£5,000,000	100%	8.50%	Pass through redemption	Payment Date falling in November 2025	NR* / Ba3 (sf)

* S&P was invited to rate the Class F Notes, but has chosen not to do so.

Issue Date The Issuer will issue the Notes set out above on or about 15 December 2016 (the **Closing Date**).

Underlying Assets The Issuer will make payments on the Notes from payments received in respect of a portfolio of receivables comprising rights to amounts payable under the Underlying Agreements pursuant to which passenger cars, light commercial vehicles, off-road vehicles, vans or light trucks are financed, that will be purchased by the Issuer on the Initial Purchase Date, being the Closing Date, and any subsequent Further Purchase Dates during the Revolving Period. See “*Description of the Portfolio*” for more information.

Key Structural Features **Credit Enhancement Features**

- With respect to the Class A Notes, subordination of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes
- With respect to the Class B Notes, subordination of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes
- With respect to the Class C Notes, subordination of the Class D Notes, the Class E Notes and the Class F Notes
- With respect to the Class D Notes, subordination of the Class E Notes and the Class F Notes
- With respect to the Class E Notes, subordination of the Class F Notes
- Excess spread

Liquidity Support Features

With respect to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the Liquidity Reserve Fund

See “*Overview of the Transaction—Overview of Credit Structure and Cashflow*” and “*Credit Structure*” for more information.

Redemption For information on optional and mandatory redemption of the Notes, see “*Overview of the Transaction—Overview of the Terms and Conditions of the Notes*” and Condition 7

Provisions	(<i>Redemption</i>).
Rating Agencies	Standard & Poor's Credit Market Services Europe Limited (S&P) and Moody's Investors Service Ltd. (Moody's). Each of S&P and Moody's is established and operating in the European Union (EU), is registered under Regulation (EC) No 1060/2009, as amended (the CRA Regulation), and is supervised by the European Securities and Markets Authority.
Ratings	<p>Ratings are expected to be assigned to the Notes by the Rating Agencies as set out above on or before the Closing Date. The ratings expected to be assigned to the Class A Notes are the highest achievable in England and Wales. S&P was invited to rate the Class F Notes, but has chosen not to do so.</p> <p>The ratings reflect the views of the Rating Agencies and are based on the Purchased Receivables, the Related Collateral and the structural features of the transaction.</p> <p>The ratings assigned by S&P and Moody's address the likelihood of full and timely payment to the relevant Noteholders of (i) interest due on each Payment Date and (ii) principal on a date that is not later than the Legal Maturity Date.</p> <p>The assignment of ratings to the Notes is not a recommendation to invest in the Notes and may be revised, suspended, qualified or withdrawn at any time by the relevant Rating Agency.</p>
Listing	This prospectus (the Prospectus) comprises a prospectus for the purpose of the Prospectus Directive and relevant implementing measures in Ireland. Prospectus Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measures in the relevant Member State. The Prospectus has been approved by the Central Bank of Ireland (the Central Bank), as competent authority under the Prospectus Directive. Application has been made to the Irish Stock Exchange Plc (the Irish Stock Exchange) for the Notes to be admitted to its official list (the Official List) and trading on its regulated market.
Obligations	The Notes will be obligations of the Issuer alone and will not be obligations of, or guaranteed by, or be the responsibility of, any other Transaction Party or any other entity.
Retention Undertaking	<p>The Seller, in its capacity as originator, undertakes that it will retain, on an on-going basis, a material net economic interest in the Transaction which shall in any event not be less than 5 per cent., in accordance with Article 405 of Regulation (EU) No 575/2013 (the Capital Requirements Regulation or CRR), Article 51 of Regulation (EU) No 231/2013 (the AIFM Regulation) and Article 254 of Regulation (EU) 2015/35 (the Solvency II Regulation) (which, in each case, does not take into account any corresponding national measures). As at the Closing Date and on each Further Purchase Date, such interest will be comprised of randomly selected Receivables with an aggregate principal balance equal to at least 5 per cent. of the principal balance of the Purchased Receivables as contemplated by the text of each of Article 405 of the CRR, Article 51 of the AIFM Regulation and Article 254 of the Solvency II Regulation. Any change to the manner in which such interest is held will be notified to Noteholders in accordance with the Conditions.</p> <p>See "<i>Risk Retention Requirements</i>" for more information.</p>
Distribution	<p>The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act), or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States and therefore 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 any applicable state or federal securities laws. Accordingly, the Notes are being offered and sold outside the United States to persons other than U.S. persons pursuant to Regulation S under the Securities Act (Regulation S). Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act. For a description of certain restrictions on resales or transfers, see "<i>Transfer Restrictions</i>" herein.</p> <p>The Issuer is not, and solely after giving effect to any offering and sale of the Notes and the application of the proceeds thereof will not be, a "covered fund" for purposes of regulations adopted under Section 31 of the Bank Holding Company Act of 1956, as amended (commonly known as the Volcker Rule). In reaching this conclusion, although other statutory or regulatory exclusions and/or exemptions under the Investment Company Act of 1940, as amended (the Investment Company Act) and under the Volcker Rule and its related regulations may be available, the Issuer has relied on the determination that the Issuer would satisfy all of the elements of the exemption from the definition of "investment company" under</p>

the Investment Company Act provided by Section 3(c)(5) thereunder.

Definitions

Please refer to “*Glossary of Defined Terms*” for the definitions of the capitalised terms used in this Prospectus.

Retention

As at the Closing Date, the intention is that a portion of the Class A Notes and all of the Class B will be retained by the Seller.

Neither the United States Securities and Exchange Commission (the SEC) nor any state securities commission in the United States or any other United States regulatory authority has approved or disapproved the Notes or determined that this Prospectus is truthful or complete. Any representation to the contrary is a criminal offence in the United States.

PLEASE CONSIDER CAREFULLY THE RISK FACTORS BEGINNING ON PAGE 22 OF THIS PROSPECTUS.

Managers

**Santander Global Corporate
Banking**

Bank of America Merrill Lynch

Citigroup

This Prospectus is dated 13 December 2016

IMPORTANT NOTICES

This Prospectus constitutes a prospectus for the purpose of Article 5(3) of the Prospectus Directive in respect of asset-backed securities within the meaning of Article 2(5) of the Commission Regulation (EC) No 809/2004 of 29 April 2004 and the relevant implementing provisions in Ireland. This Prospectus has been approved by the Central Bank, as competent authority under the Prospectus Directive. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. Such approval relates only to the Notes which are admitted to trading on a regulated market of the Irish Stock Exchange or other regulated markets for the purpose of Directive 2004/39/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 Prospectus.

THE NOTES ARE NOT INTENDED TO BE SOLD AND SHOULD NOT BE SOLD TO RETAIL INVESTORS. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU.

UNITED STATES DISTRIBUTION 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 AND THEREFORE 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 ANY APPLICABLE STATE OR FEDERAL SECURITIES LAWS. ACCORDINGLY, THE NOTES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS PURSUANT TO REGULATIONS UNDER THE SECURITIES ACT. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON REALES OR TRANSFERS, SEE “*TRANSFER RESTRICTIONS*”.

There is no undertaking to register the Notes under U.S. state or federal securities laws. Until 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by the Managers (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.

Banco Santander, S.A. (**Banco Santander**), Citigroup Global Markets Limited (**Citigroup**) and Merrill Lynch International (**Bank of America Merrill Lynch**) (together, the **Managers**) will subscribe for, or procure subscriptions for, up to 50 per cent. of the Class A Notes and up to 100 per cent. of each of the C Notes, the Class D Notes, the Class E Notes and the Class F Notes from the Issuer. The Managers do not intend to make a market for the Notes.

THE NOTES REPRESENT OBLIGATIONS OF THE ISSUER ONLY AND DO NOT REPRESENT AN INTEREST IN OR OBLIGATION OF THE MANAGERS, THE SELLER, THE SERVICER, THE BACK-UP SERVICER FACILITATOR, THE TRUSTEE, THE ACCOUNT BANK, THE TRANSACTION ACCOUNT BANK, THE PRINCIPAL PAYING AGENT, THE REGISTRAR, THE AGENT BANK, THE CASH ADMINISTRATOR, THE EXPENSES LOAN PROVIDER, THE LIQUIDITY RESERVE LOAN PROVIDER, THE LISTING AGENT, THE COMMON SAFEKEEPER OR THE COMMON SERVICES PROVIDER OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS (OTHER THAN, FOR THE AVOIDANCE OF DOUBT, THE ISSUER). NEITHER THE NOTES NOR THE PURCHASED RECEIVABLES WILL BE INSURED OR GUARANTEED BY ANY GOVERNMENTAL AGENCY OR INSTRUMENTALITY OR BY THE MANAGERS, THE SELLER, THE SERVICER, THE BACK-UP SERVICER FACILITATOR, THE TRUSTEE, THE ACCOUNT BANK, THE TRANSACTION ACCOUNT BANK, THE PRINCIPAL PAYING AGENT, THE REGISTRAR, THE AGENT BANK, THE CASH ADMINISTRATOR, THE EXPENSES LOAN PROVIDER, THE LIQUIDITY RESERVE LOAN PROVIDER, THE LISTING AGENT, THE COMMON SAFEKEEPER OR THE COMMON SERVICES PROVIDER OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS (OTHER THAN THE ISSUER) OR BY ANY OTHER PERSON OR ENTITY EXCEPT AS DESCRIBED HEREIN.

PCS LABEL

An application has been made to Prime Collateralised Securities (PCS) UK Limited for the Class A Notes to receive the Prime Collateralised Securities label (the **PCS Label**) and the Seller currently expects that the Class A Notes will receive the PCS Label. However, there can be no assurance that the Class A Notes will receive the PCS Label (either before issuance or at any time thereafter) and, if the Class A Notes do receive the PCS Label, there can be no assurance that the PCS Label will not be withdrawn from the Class A Notes at a later date.

The PCS Label is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under the Markets in Financial Instruments Directive (2004/39/EC) and it is not a credit rating whether generally or as defined under the CRA Regulation or Section 3(a) of the United States Securities Exchange Act of 1934, as amended (the **Exchange Act**). Prime Collateralised Securities (PCS) UK Limited is not an “expert” as defined in the Securities Act.

By awarding the PCS Label to certain securities, no views are expressed about the creditworthiness of these securities or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for these securities. Investors should conduct their own research regarding the nature of the PCS Label and must read the information set out in <http://pcsmarket.org>. That website and the contents thereof do not form part of this Prospectus.

RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

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

SC UK accepts responsibility for the sections of this Prospectus headed “*Risk Retention Requirements*” (but not, for the avoidance of doubt, any information in the sections cross-referred to in the section headed “*Risk Retention Requirements*”), “*Description of the Portfolio*”, “*Credit and Collection Policy*” and “*The Seller and the Servicer*”. To the best of the knowledge of SC UK, which has taken all reasonable care to ensure that such is the case, the information in such sections is in accordance with the facts and contains no omission likely to affect the import of such information.

U.S. Bank Trustees Limited accepts responsibility for the section of this Prospectus headed “*The Trustee*”. U.S. Bank Trustees Limited hereby declares that, to the best of its knowledge, having taken all reasonable care to ensure that such is the case, the information in such section is in accordance with the facts and contains no omission likely to affect the import of such information.

U.S. Bank Global Corporate Trust Services accepts responsibility for the section of this Prospectus headed “*The Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar and the Cash Administrator*”. U.S. Bank Global Corporate Trust Services hereby declares that, to the best of its knowledge, having taken all reasonable care to ensure that such is the case, the information in such section is in accordance with the facts and contains no omission likely to affect the import of such information.

Structured Finance Management Limited accepts responsibility for the section of this Prospectus headed “*The Corporate Administrator*”. Structured Finance Management Limited hereby declares that, to the best of its knowledge, having taken all reasonable care to ensure that such is the case, the information in such section is in accordance with the facts and contains no omission likely to affect the import of such information.

REPRESENTATIONS ABOUT THE NOTES

No person has been authorised to give any information or to make any representations, other than those contained in this Prospectus, in connection with the issue, offering, subscription or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Trustee, the Seller or the Managers.

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

Prospective purchasers of Notes should conduct such independent investigation and analysis as they deem appropriate to evaluate the merits and risks of an investment in the Notes. **If you are in doubt about the contents of this document, you should consult your stockbroker, bank manager, legal adviser, accountant or other financial adviser.** None of the Transaction Parties (other than the Issuer and, only in respect of those sections of this Prospectus described in the second paragraph of “*Responsibility for the Contents of this Prospectus*” above, SC UK) makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied by the Issuer in connection with the Notes or accepts any responsibility or liability therefor. No Transaction Party (other than the Issuer) undertakes to review the financial condition or affairs of the Issuer or to advise any investor or potential investor in the Notes of any information coming to its attention.

SELLING RESTRICTIONS

No action has been taken by the Issuer or the Managers other than as set out in this Prospectus that would permit a public offering of the Notes, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus (nor any part hereof) nor any other information memorandum, prospectus, form of application, advertisement, other offering material or other information may be issued, distributed or published, in any country or jurisdiction except in compliance with applicable laws, orders, rules and regulations, and the Issuer and the Managers have represented that all offers and sales by them have been and will be made on such terms.

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

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

EACH OF THE MANAGERS HAS REPRESENTED, WARRANTED AND UNDERTAKEN 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 THE NOTES IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FSMA DOES NOT APPLY TO THE ISSUER; AND
- (B) IT HAS COMPLIED AND WILL COMPLY WITH ALL APPLICABLE PROVISIONS OF THE FSMA WITH RESPECT TO ANYTHING DONE BY IT IN RELATION TO THE NOTES IN, FROM OR OTHERWISE INVOLVING THE UNITED KINGDOM.

EACH OF THE MANAGERS HAS REPRESENTED, WARRANTED AND AGREED THAT:

- (A) IT HAS NOT OFFERED, SOLD, PLACED OR UNDERWRITTEN AND WILL NOT OFFER, SELL, PLACE OR UNDERWRITE THE ISSUE OF ANY OF NOTES TO THE PUBLIC WITHIN IRELAND EXCEPT IN CIRCUMSTANCES WHICH DO NOT REQUIRE THE PRIOR PUBLICATION OF A PROSPECTUS PURSUANT TO ARTICLE 3(2) OF DIRECTIVE 2003/71/EC;
- (B) TO THE EXTENT APPLICABLE, IT HAS COMPLIED WITH AND WILL COMPLY WITH ALL APPLICABLE PROVISIONS OF THE IRISH COMPANIES ACTS 1963-2009;
- (C) TO THE EXTENT APPLICABLE, IT WILL NOT UNDERWRITE THE ISSUE OF, PLACE, SELL, OFFER OR OTHERWISE ACT IN IRELAND IN RESPECT OF THE NOTES, OTHERWISE THAN IN COMPLIANCE WITH THE PROVISIONS OF THE IRISH EUROPEAN COMMUNITIES (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2007 (S.I. NO. 60 OF 2007) (AS AMENDED), AND IT WILL CONDUCT ITSELF IN ACCORDANCE WITH ANY CODES OR RULES OF CONDUCT AND ANY CONDITIONS AND REQUIREMENTS, OR ANY OTHER ENACTMENT, IMPOSED OR APPROVED BY THE CENTRAL BANK WITH RESPECT TO ANYTHING DONE BY THEM IN RELATION TO THE NOTES;

- (D) TO THE EXTENT APPLICABLE, IT WILL NOT UNDERWRITE THE ISSUE OF, SELL, PLACE, OFFER OR OTHERWISE ACT IN IRELAND IN RESPECT OF THE NOTES, OTHERWISE THAN IN COMPLIANCE WITH THE PROVISIONS OF THE IRISH MARKET ABUSE DIRECTIVE (2003/6/EC) REGULATIONS 2005 AND ANY RULES ISSUED BY THE CENTRAL BANK PURSUANT THERETO; AND
- (E) IT WILL NOT OFFER, SELL, PLACE OR UNDERWRITE THE ISSUE OF ANY NOTES IN IRELAND OTHERWISE THAN IN COMPLIANCE WITH THE PROVISIONS OF THE IRISH CENTRAL BANK ACTS 1924-2010 (AS AMENDED) AND ANY CODES OF CONDUCT RULES MADE UNDER SECTION 117(1) OF THE CENTRAL BANK ACT 1989.

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

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

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

INTERPRETATION

For a summary of the definitions of capitalised words and phrases used in this Prospectus, see "*Glossary of Defined Terms*".

FORWARD-LOOKING STATEMENTS

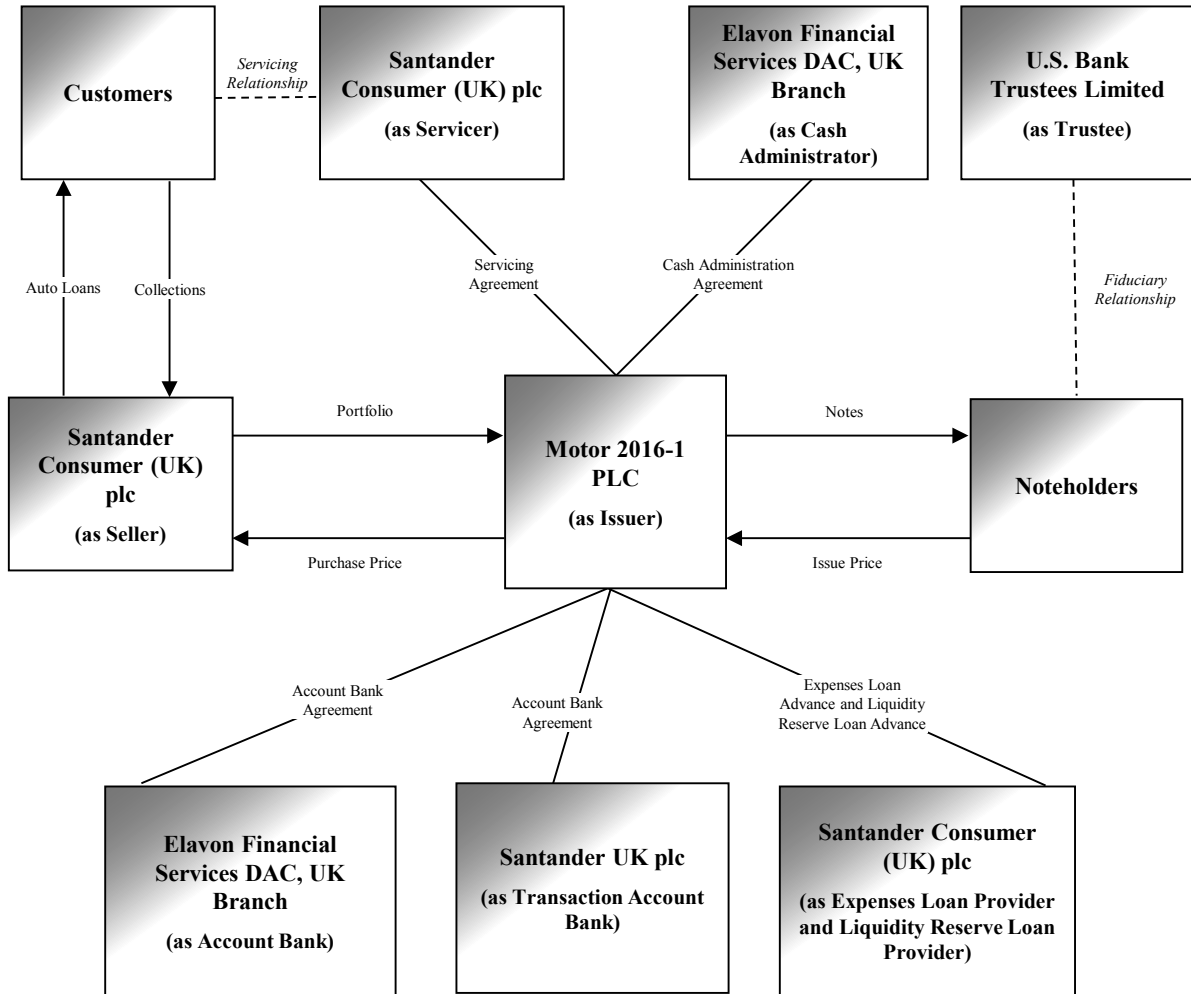
Certain matters contained herein are forward-looking statements. Such statements appear in a number of places in this Prospectus, including with respect to assumptions on prepayment and certain other characteristics of the Underlying Agreements and Purchased Receivables, and reflect significant assumptions 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. None of the Transaction Parties (other than the Issuer) has attempted to verify any such statements, nor do they 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 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

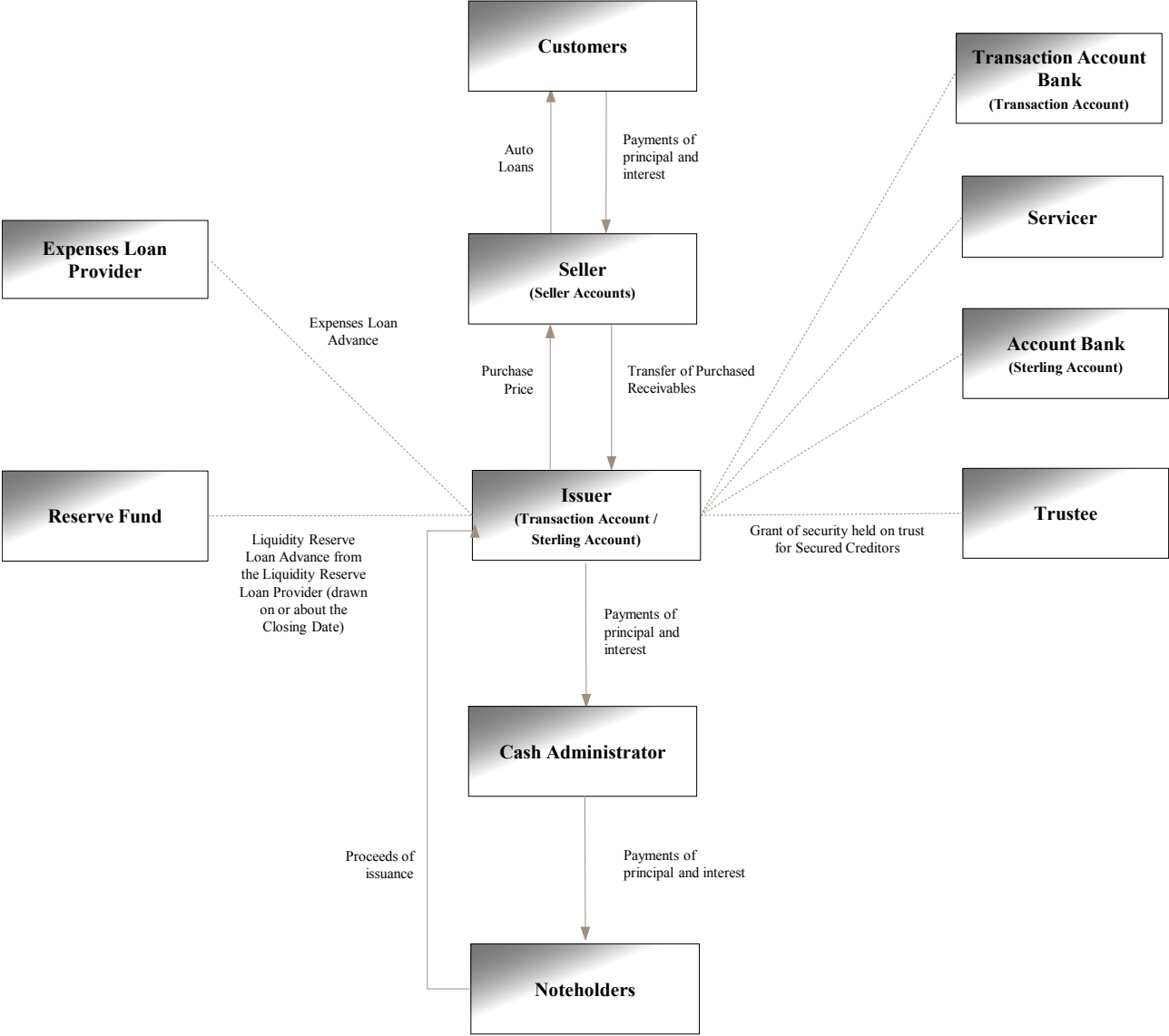
	Page
OVERVIEW OF THE TRANSACTION	1
RISK FACTORS	22
RISK RETENTION REQUIREMENTS	47
INFORMATION REGARDING THE POLICIES AND PROCEDURES OF THE SELLER	48
TRIGGERS TABLES	49
FEES	54
CREDIT STRUCTURE	55
DESCRIPTION OF THE NOTES IN GLOBAL FORM	57
TERMS AND CONDITIONS OF THE NOTES	61
OVERVIEW OF THE TRANSACTION DOCUMENTS	83
EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS	94
DESCRIPTION OF THE PORTFOLIO	95
ELIGIBILITY CRITERIA	96
INFORMATION TABLES REGARDING THE PORTFOLIO	98
CREDIT AND COLLECTION POLICY	120
THE ISSUER	122
CAPITALISATION AND INDEBTEDNESS STATEMENT	124
THE SELLER AND THE SERVICER	125
THE TRUSTEE	126
THE ACCOUNT BANK, THE PRINCIPAL PAYING AGENT, THE AGENT BANK, THE REGISTRAR AND THE CASH ADMINISTRATOR	127
THE CORPORATE ADMINISTRATOR	128
USE OF PROCEEDS	129
UNITED KINGDOM TAXATION	130
FOREIGN ACCOUNT TAX COMPLIANCE ACT	131
SUBSCRIPTION AND SALE	132
TRANSFER RESTRICTIONS	134
GLOSSARY OF DEFINED TERMS	136
GENERAL INFORMATION	166

OVERVIEW OF THE TRANSACTION

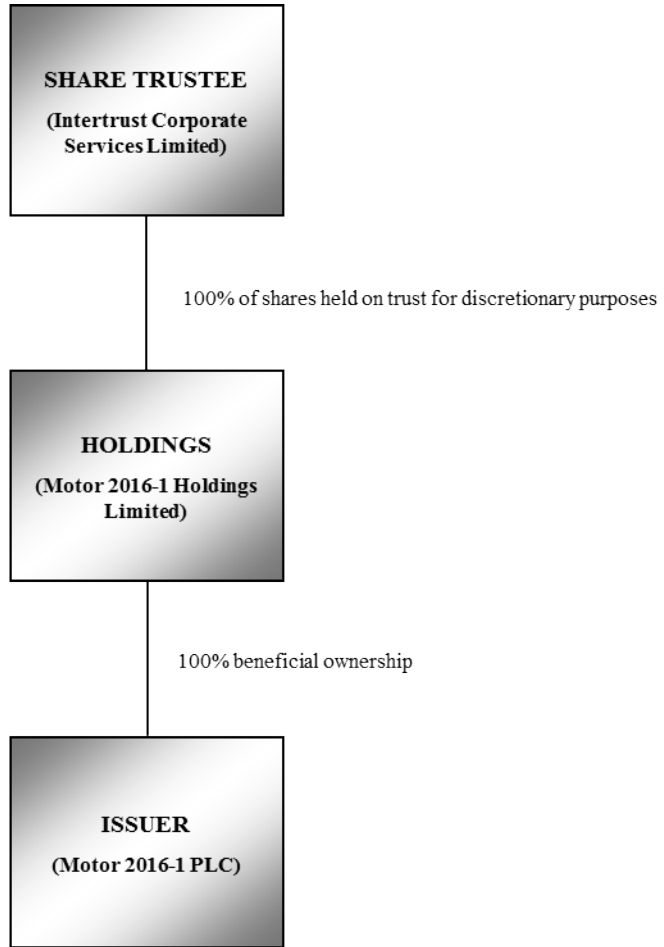
DIAGRAMMATIC OVERVIEW OF THE TRANSACTION



CASH FLOW DIAGRAM



OWNERSHIP STRUCTURE DIAGRAM



The entire issued share capital of the Issuer is owned by Holdings.

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

OVERVIEW OF THE TRANSACTION PARTIES ON THE CLOSING DATE

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

The section headed “Glossary of Defined Terms” contains a summary of the meanings given to certain defined terms used in this Prospectus.

Issuer	Motor 2016-1 PLC, a special purpose company incorporated with limited liability under the laws of England and Wales, which has its registered office at 35 Great St. Helen’s, London EC3A 6AP, United Kingdom. See “ <i>The Issuer</i> ”.
Holdings	Motor 2016-1 Holdings Limited, a special purpose company incorporated with limited liability under the laws of England and Wales, which has its registered office at 35 Great St. Helen’s, London EC3A 6AP, United Kingdom. See “ <i>The Issuer</i> ”.
Share Trustee	Intertrust Corporate Services Limited (formerly SFM Corporate Services Limited), which has its registered office at 35 Great St. Helen’s, London EC3A 6AP, United Kingdom.
Corporate Administrator	Structured Finance Management Limited, which has its office at 35 Great St. Helen’s, London EC3A 6AP, United Kingdom. See “ <i>The Corporate Administrator</i> ” and “ <i>Overview of the Transaction Documents—Corporate Administration Agreement</i> ”.
Seller	Santander Consumer (UK) plc (SC UK), which has its registered office at Santander House, 86 Station Road, Redhill RH1 1SR, United Kingdom. See “ <i>The Seller and the Servicer</i> ” and “ <i>Overview of the Transaction Documents—Receivables Purchase Agreement</i> ”.
Servicer	SC UK. See “ <i>The Seller and the Servicer</i> ” and “ <i>Overview of the Transaction Documents—Servicing Agreement</i> ”.
Back-up Servicer Facilitator	Banco Santander, S.A. (Banco Santander), which has its registered office at Paseo de Pereda 9-12, Santander, Spain. See “ <i>Overview of the Transaction Documents—Back-up Servicing Agreement</i> ”.
Trustee	U.S. Bank Trustees Limited, which has its registered office at 5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom. See “ <i>The Trustee</i> ”.
Expenses Loan Provider	SC UK. See “ <i>Overview of the Transaction Documents—Expenses Loan Agreement</i> ”.
Liquidity Reserve Loan Provider	SC UK. See “ <i>Overview of the Transaction Documents—Liquidity Reserve Loan Agreement</i> ”.
Account Bank	Elavon Financial Services DAC, UK Branch (Elavon), which has its registered office at 125 Old Broad Street, Fifth Floor, London EC2N 1AR, United Kingdom. See “ <i>The Account Bank, The Principal Paying Agent, The Agent Bank, The Registrar and The Cash Administrator</i> ” and “ <i>Overview of the Transaction Documents—Account Bank Agreement</i> ”.
Transaction Account Bank	Santander UK plc, which has its registered office at 2 Triton Square, Regent's Place, London NW1 3AN, United Kingdom. See “ <i>Overview of the Transaction Documents—Account Bank Agreement</i> ”.
Managers	Banco Santander, Citigroup Global Markets Limited (Citigroup) and Merrill Lynch International (Bank of America Merrill Lynch). See “ <i>Overview of the Transaction Documents—Subscription Agreement</i> ”.
Cash Administrator	Elavon. See “ <i>The Account Bank, The Principal Paying Agent, The Agent Bank, The Registrar and The Cash Administrator</i> ” and “ <i>Overview of the Transaction Documents—Cash Administration Agreement</i> ”.

Principal Paying Agent and Agent Bank	Elavon. See “ <i>The Account Bank, The Principal Paying Agent, The Agent Bank, The Registrar and The Cash Administrator</i> ” and “ <i>Overview of the Transaction Documents—Agency Agreement</i> ”.
Listing Agent	Walkers Listing & Support Services Limited, which has its registered office at The Anchorage, 17-19 Sir John Rogerson’s Quay, Dublin 2, Ireland.
Rating Agencies	Standard & Poor's Credit Market Services Europe Limited and Moody’s Investors Service Ltd., each of which is established and operating in the EU, is registered for the purposes of the CRA Regulation and is supervised by the European Securities and Markets Authority.
Registrar	Elavon Financial Services DAC, which has its registered office at Block E, Cherrywood Business Park, Dublin, Ireland. See “ <i>The Account Bank, The Principal Paying Agent, The Agent Bank, The Registrar and The Cash Administrator</i> ” and “ <i>Overview of the Transaction Documents—Agency Agreement</i> ”.

OVERVIEW OF PORTFOLIO AND SERVICING

Please refer to the sections entitled “*Description of the Portfolio*”, “*Overview of the Transaction Documents*” and “*Credit and Collection Policy*” for further detail in respect of the characteristics of the Portfolio and the sale and servicing arrangements in respect of the Portfolio.

The Transaction The Seller will sell, transfer and assign the Initial Portfolio to the Issuer, on or before the Closing Date, and may thereafter sell, transfer and assign any Further Receivables and their Related Collateral on any Further Purchase Date, pursuant to the Receivables Sale Agreement. See “*Overview of the Transaction Documents—Receivables Sale Agreement*”. None of the assets backing the Notes is itself an asset-backed security or other securitisation position, and the transaction is also not a “synthetic” securitisation, in which risk transfer would be achieved through the use of credit derivatives or other similar financial instruments.

Purchased Receivables and Related Collateral The Portfolio underlying the Notes shall comprise the Initial Portfolio and the Further Receivables and Related Collateral and consists of payment obligations, arising under the Underlying Agreements entered into between the Seller and the Customers for the purpose of financing the acquisition of the Financed Vehicles, which are originated by the Seller in its ordinary course of business. The Aggregate Asset Amount Outstanding, as at the beginning of business on the Reference Date immediately preceding the Initial Purchase Date, was £600,009,861.81. See “*Description of the Portfolio*”.

The information presented in this Prospectus relates to a provisional portfolio of Receivables and the related Financed Vehicles as at 31 August 2016 (the **Cut-Off Date**). The actual pool of Receivables and the related Financed Vehicles identified in any Notice of Sale and sold to the Issuer on the Initial Purchase Date (which will be randomly selected from the provisional portfolio of Receivables on the Closing Date) or any Further Purchase Date (which will be randomly selected from the Seller’s portfolio of Receivables, adjusted (if necessary) by randomly excluding Receivables which would otherwise cause a breach of any Concentration Limit) will vary from those included in the provisional pool, but the Seller will represent to the Issuer and the Trustee on each Purchase Date that each Purchased Receivable and each Underlying Agreement complies with the Eligibility Criteria. The Seller believes that the information in “*Information Tables Regarding the Portfolio*” is representative of the characteristics of the pool of Purchased Receivables that will be randomly selected on the Closing Date, although the portfolio averages and numerical data relating to the distribution of the Purchased Receivables between Conditional Sale – New and Conditional Sale - Used described in “*Information Tables Regarding the Portfolio*” may vary within a range of plus or minus 5 per cent.

Title to each Financed Vehicle will remain with the Seller until it is transferred to the relevant Customer in accordance with the corresponding Underlying Agreement or sold by the Servicer following repossession of such Financed Vehicle from the relevant Customer. See “*Overview of the Transaction Documents—Receivables Sale Agreement*”.

Seller Asset Warranties Under the Receivables Sale Agreement, the Seller will make certain representations and warranties to the Issuer with respect to the Purchased Receivables on the Initial Purchase Date and each Further Purchase Date (see “*Overview of the Transaction Documents—Receivables Sale Agreement*”).

A breach of a Seller Asset Warranty will be deemed to be a **Seller Asset Warranty Breach** if such breach materially and adversely affects the Issuer’s interest in the affected Purchased Receivable (without regard to credit enhancement, if any) and, if such breach is capable of remedy, it has not been remedied within the grace period set forth under “*Non-Compliant Receivables*” below. A Purchased Receivable affected by a Seller Asset Warranty Breach is referred to as a **Non-Compliant Receivable**.

Non-Compliant Receivables Upon the occurrence of a Seller Asset Warranty Breach, unless such Seller Asset Warranty Breach has occurred because a Purchased Receivable is found not to exist, the Seller shall repurchase the related Non-Compliant Receivable at the Non-Compliant Receivable Repurchase Price. In the case of a Seller Asset Warranty Breach which is due to a breach of the Concentration Limits, the Seller will repurchase, at the Non-Compliant Receivable Repurchase Price, a random selection of relevant Purchased Receivables in an amount sufficient to remedy such breach of the relevant Concentration Limit.

If a breach capable of becoming a Seller Asset Warranty Breach is capable of remedy, the Issuer shall select a date for the repurchase of the relevant Non-Compliant Receivable, in any event to be no earlier than the 30th Business Day following the Seller becoming actually aware, or being notified, of such breach, in order to give the Seller time to remedy the breach. If the Seller does not remedy the breach within that time period, it shall repurchase the relevant Non-Compliant Receivable on the date selected by the Issuer.

If a breach capable of becoming a Seller Asset Warranty Breach is not capable of remedy, the Seller shall repurchase the Non-Compliant Receivable no later than the 30th Business Day following the Seller becoming actually aware, or being notified, of such breach.

If a Purchased Receivable is found not to exist, the Seller will not be obliged to repurchase such non-existent Purchased Receivable, but will instead be required to indemnify the Issuer in an amount calculated by the Servicer as equal to the portion of the Purchase Price related to the relevant Purchased Receivable. Such indemnified amount shall be due and payable by the Seller within ten Business Days of receipt of a written notice of such breach in respect of the non-existent Purchased Receivable from the Issuer.

Repurchase upon Non-Permitted Variation

Under the Receivables Sale Agreement, the Seller may also direct the Issuer to sell a Purchased Receivable and its Related Collateral to the Seller where the Seller makes, in the ordinary course of business, a variation to the Underlying Agreement relating to such Purchased Receivable which is not a Permitted Variation (a **Non-Permitted Variation**). Such Purchased Receivable and Related Collateral which are the subject of the Non-Permitted Variation shall constitute a Non-Compliant Receivable and be repurchased by the Seller at the Non-Compliant Receivable Repurchase Price.

Other Seller Warranty Breaches

Following the Seller becoming aware of a breach of any of the Seller Warranties (excluding a Seller Asset Warranty), it shall promptly (but in any case within one Business Day) notify the Issuer and the Trustee. Within five Business Days of notification by the Seller, the Issuer or the Cash Administrator (acting on behalf of the Issuer) will calculate the amount of the Compensation Payment (if any) in respect of such breach and notify the Seller of such calculation. The Seller must pay the Compensation Payment to the Issuer within 10 Business Days of the notification of the amount of the Compensation Payment.

Servicing of the Portfolio

The Purchased Receivables and the Related Collateral will be serviced by SC UK (unless its appointment is terminated pursuant to the Servicing Agreement) in its capacity as Servicer under the Servicing Agreement. On each Payment Date, the Issuer will pay to the Servicer a servicing fee in arrear equal to 0.75 per cent. per annum of the Aggregate Asset Amount Outstanding determined as at the Calculation Date (inclusive of VAT, if any) immediately preceding such Payment Date.

Upon any termination of the appointment of SC UK as Servicer, the Purchased Receivables and the Related Collateral will be serviced by a Successor Servicer appointed by the Issuer. See “*Overview of the Transaction Documents—Servicing Agreement*” and “*Credit and Collection Policy*”.

Banco Santander will agree in the Servicing Agreement to act as a back-up servicer facilitator (a **Back-up Servicer Facilitator**), which will require it to (i) select a Successor Servicer satisfying the requirements set out in the Servicing Agreement and willing to assume the duties of a Successor Servicer in the event that a Servicer Termination Notice is delivered, (ii) review the information provided to it by the Servicer under the Servicing Agreement, (iii) enter into appropriate data confidentiality provisions, (iv) verify and confirm that the terms of any replacement servicing agreement require the Successor Servicer to put in place new direct debit mandates, (v) notify the Servicer if it requires further assistance and (vi) assist the Servicer to deliver a Notification Event Notice and/or set up alternative payment arrangements with the Customers with respect to a Servicer Termination Event.

Collections

The Customers currently make payments under the Underlying Agreements into the Seller Accounts held in the name of the Seller at Santander UK plc and The Royal Bank of Scotland plc (together with any additional or substitute bank accounts specified as such by or on behalf of the Seller). As the Seller Accounts are not held solely for the purpose of receiving Collections, the Seller will transfer all Collections paid into the Seller Accounts to the Transaction Account held in the name of the Issuer within one Business Day following receipt thereof. On the Business

Day before each Payment Date, the Cash Administrator will transfer certain amounts standing to the credit of the Transaction Account into the Sterling Account. Subject to the Pre-Enforcement Priority of Payments, the Collections will be available for the payment of interest and principal on the Notes. See “*Overview of the Transaction Documents—Seller Accounts Declaration of Trust*” and “*—Account Bank Agreement*”. See “*Glossary of Defined Terms*” for a description of the amounts that constitute Collections.

Collection Period In relation to each Calculation Date, the applicable Collection Period will commence on (but exclude) the immediately preceding Calculation Date and end on (and include) such Calculation Date, save that the Collection Period with respect to the First Payment Date (following the Initial Purchase Date) will commence on (but exclude) 1 November 2016, which is the Reference Date immediately preceding the Initial Purchase Date, and end on (and include) 31 December 2016, which is the Calculation Date immediately following the Closing Date.

Further Receivables During the Revolving Period, the Seller may (in its absolute discretion) sell and assign Further Receivables and their Related Collateral, which will be randomly selected from its portfolio of Receivables, adjusted (if necessary) by randomly excluding Receivables which would otherwise cause a breach of any Concentration Limit, to the Issuer for the relevant Further Receivables Purchase Price on a given Further Purchase Date.

These Further Receivables and their Related Collateral will be specified in a Notice of Sale furnished to the Issuer and will be paid for by the Issuer with amounts allocated for that purpose under the Pre-Enforcement Priority of Payments.

Revolving Period The Revolving Period commences on (and includes) the Closing Date and ends on (but excludes) the earlier of (i) the Payment Date falling in January 2019 and (ii) the date on which a Revolving Period Termination Event occurs (such end date, the **Revolving Period End Date**). Following the termination of the Revolving Period, no Further Receivables may be sold to the Issuer.

Revolving Period Termination Event The occurrence of any of the following events will constitute a Revolving Period Termination Event:

- (a) an Issuer Event of Default or Notification Event;
- (b) a change of control with respect to the Seller;
- (c) a Negative Carry Event;
- (d) the Three Month Moving Average of Delinquent Receivables as at the related Calculation Dates expressed as a percentage of the Aggregate Asset Amount Outstanding of the Purchased Receivables on such Calculation Dates exceeds 1 per cent.;
- (e) an Asset Trigger Event;
- (f) a Liquidity Reserve Shortfall; or
- (g) the Cumulative Gross Defaulted Receivables expressed as a percentage of the Aggregate Asset Amount Outstanding of the Initial Portfolio exceeds 1.25 per cent. within the first calendar year following the Closing Date or 2.50 per cent. thereafter.

For the full particulars of when a Revolving Period Termination Event occurs, see “*Glossary of Defined Terms*”.

Purchase of Notes The Transaction Documents do not require the Seller to purchase the Notes under any circumstances and the Seller covenants in the Receivables Sale Agreement that, if it purchases any Notes or other positions in the securitisation constituted by the Transaction Documents, such purchases will be exceptional and may only be made at arm’s length.

OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES

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

Full Capital Structure of the Notes

	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Class D</u>	<u>Class E</u>	<u>Class F</u>
Initial Principal Amount	£528,000,000	£15,000,000	£30,000,000	£9,000,000	£13,000,000	£5,000,000
Credit Enhancement Features	Excess spread, subordination of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes	Excess spread, subordination of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes	Excess spread, subordination of the Class D Notes, the Class E Notes and the Class F Notes	Excess spread, subordination of the Class E Notes and the Class F Notes	Excess spread, subordination of the Class F Notes	Excess spread
Liquidity Support Features	Liquidity Reserve Fund	Liquidity Reserve Fund	Liquidity Reserve Fund	Liquidity Reserve Fund	Liquidity Reserve Fund	N/A
Issue Price	100%	100%	100%	100%	100%	100%
Interest Rate	1.30%	1.80%	3.75%	4.25%	5.25%	8.50%
Interest Accrual Method	ACT/365	ACT/365	ACT/365	ACT/365	ACT/365	ACT/365
Calculation Date	The last Business Day of the calendar month immediately preceding each Payment Date	The last Business Day of the calendar month immediately preceding each Payment Date	The last Business Day of the calendar month immediately preceding each Payment Date	The last Business Day of the calendar month immediately preceding each Payment Date	The last Business Day of the calendar month immediately preceding each Payment Date	The last Business Day of the calendar month immediately preceding each Payment Date
Payment Dates	25 th day of each month, commencing on the First Payment Date	25 th day of each month, commencing on the First Payment Date	25 th day of each month, commencing on the First Payment Date	25 th day of each month, commencing on the First Payment Date	25 th day of each month, commencing on the First Payment Date	25 th day of each month, commencing on the First Payment Date

Reporting Date	In relation to any Calculation Date, the 7 th Business Day preceding the Payment Date following such relevant Calculation Date	In relation to any Calculation Date, the 7 th Business Day preceding the Payment Date following such relevant Calculation Date	In relation to any Calculation Date, the 7 th Business Day preceding the Payment Date following such relevant Calculation Date	In relation to any Calculation Date, the 7 th Business Day preceding the Payment Date following such relevant Calculation Date	In relation to any Calculation Date, the 7 th Business Day preceding the Payment Date following such relevant Calculation Date	In relation to any Calculation Date, the 7 th Business Day preceding the Payment Date following such relevant Calculation Date
Business Day Convention	Modified Following	Modified Following	Modified Following	Modified Following	Modified Following	Modified Following
First Payment Date	25 January 2017	25 January 2017	25 January 2017	25 January 2017	25 January 2017	25 January 2017
Interest Period	In respect of the First Payment Date, the period from (and including) the Closing Date to (but excluding) the First Payment Date and, in respect of any subsequent Payment Date, the period commencing on (and including) a Payment Date to (but excluding) the immediately following Payment Date.					
Pre-Enforcement Redemption Profile on each Payment Date	On and after the Revolving Period End Date and prior to the delivery of an Enforcement Notice, pass through redemption, subject to and in accordance with the Pre-Enforcement Priority of Payments. See Condition 7.1 (<i>Amortisation</i>) and Condition 7.6 (<i>Pre-Enforcement Priority of Payments</i>)					
Post-Enforcement Redemption Profile	Following the delivery of an Enforcement Notice, pass through redemption, subject to and in accordance with the Post-Enforcement Priority of Payments. See Condition 7.7 (<i>Post-Enforcement Priority of Payments</i>)					
Early Redemption in Full (Clean-Up Call Option)	The Seller may opt to repurchase the Purchased Receivables in full on any Payment Date (prior to the delivery of an Enforcement Notice) on and following the Payment Date on which the Clean-Up Call Asset Amount Outstanding is equal to 10 per cent. or less of the aggregate Asset Amount Outstanding of the Purchased Receivables on the Closing Date, requiring the Issuer to apply the Repurchase Price in accordance with the Pre-Enforcement Priority of Payments to redeem the Notes. See Condition 7.3 (<i>Early Redemption</i>)					
Other Early Redemption in Full Events	Optional Regulatory Change Event Call Option. See Condition 7.3 (<i>Early Redemption</i>) Optional Tax Call Option. See Condition 7.4 (<i>Optional Redemption for Taxation Reasons</i>)					
Legal Maturity Date	Payment Date falling in November 2025	Payment Date falling in November 2025	Payment Date falling in November 2025	Payment Date falling in November 2025	Payment Date falling in November 2025	Payment Date falling in November 2025
Form of the Notes	Registered Notes	Registered Notes	Registered Notes	Registered Notes	Registered Notes	Registered Notes
Application for Listing	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange
ISIN	XS1531664636	XS1531664719	XS1531664982	XS1531665104	XS1531665286	XS1531665369

Common Code	153166463	153166471	153166498	153166510	153166528	153166536
Clearance/ Settlement	Euroclear/ Clearstream Luxembourg	Euroclear/ Clearstream Luxembourg	Euroclear/ Clearstream Luxembourg	Euroclear/ Clearstream Luxembourg	Euroclear/ Clearstream Luxembourg	Euroclear/ Clearstream Luxembourg
Eurosystem Eligibility	The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that such Notes are intended upon issue to be registered in the name of the Common Safekeeper (or a nominee thereof) with one of Euroclear or Clearstream, Luxembourg as Common Safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.					
Minimum Denominations	£100,000	£100,000	£100,000	£100,000	£100,000	£100,000
Regulation	Reg S	Reg S	Reg S	Reg S	Reg S	Reg S
Commission	Nil	Nil	Nil	Nil	Nil	Nil

Status and Ranking of Payments	The Notes will constitute direct, secured and (subject to Condition 3.2 (<i>Limited Recourse</i>)) unconditional obligations of the Issuer. Prior to the delivery of an Enforcement Notice, the Issuer’s obligation to make payments of principal and interest on the Notes will rank in accordance with the Pre-Enforcement Priority of Payments. Following the delivery of an Enforcement Notice, the Issuer’s obligation to make payments of principal and interest on the Notes will rank in accordance with the Post-Enforcement Priority of Payments. See “ <i>Credit Structure—Pre-Enforcement Priority of Payments</i> ”, “ <i>—Post-Enforcement Priority of Payments</i> ” and Condition 2 (<i>Status and Priority</i>).
Limited Recourse	The Notes are limited recourse obligations of the Issuer and if, after the distribution of all of the Issuer’s assets, there are amounts that are not paid in full, such outstanding amounts are deemed to be discharged in full and any payment rights are deemed to cease. See Condition 3 (<i>Provision of Security; Limited Payment Obligation; Issuer Event of Default</i>).
Interest Amount	The Interest Amount with respect to each Class of Notes payable on each Payment Date will be calculated as set forth in Condition 6.1 (<i>Interest Calculation</i>) at the applicable Interest Rate and for the applicable Interest Period.
Interest Deferral & Additional Interest	<p>Interest due and payable on each Class of Notes may be deferred in accordance with Condition 6.6 (<i>Interest Accrual</i>) other than the payment by the Issuer of any Interest Amounts on the Class A Notes, or any other Class of Notes while it is the Controlling Class, which cannot be deferred. Payments of the Interest Amounts on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, for so long as such Notes are not the Controlling Class, may be deferred on a Payment Date to the extent the Issuer has insufficient funds to pay such amount. Any failure by the Issuer to pay the relevant Interest Amounts to the Principal Paying Agent with respect to the Class A Notes or any other Class of Notes while such Notes are the Controlling Class, which is not cured within five Business Days, will trigger an Issuer Event of Default.</p> <p>In each such situation where interest is deferred, the amount of such shortfall or non-payment will be deferred until the next Payment Date on which funds are available (after allowing for the Issuer’s liabilities of higher priority and subject to and in accordance with the Conditions) to make such payments in accordance with the relevant Priority of Payments, and the Interest Amount scheduled to be paid on such Payment Date for any affected Class of Notes will be increased by the amount of any such deferral. Further, deferred Interest Amounts will accrue Additional Interest, which may also be deferred under Condition 6.6 (<i>Interest Accrual</i>).</p> <p>Notwithstanding the foregoing, interest may be deferred on any Class of Notes if the Issuer has paid the relevant Interest Amount to the Principal Paying Agent and the Principal Paying Agent has failed to pay the relevant Interest Amount to the relevant Noteholders.</p>
Gross-Up	All payments of principal of, and interest on, the Notes will be made free and clear of, and without any withholding or deduction for or on account of, tax (if any) in any applicable jurisdiction, unless such withholding or deduction is required by law. If any such withholding or deduction is imposed, the Issuer shall make such payments after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. For the avoidance of doubt, the Issuer is also permitted to withhold or deduct any amounts required pursuant to FATCA as described in more detail under “ <i>Foreign Account Tax Compliance Act</i> ”. Neither the Issuer, nor any Paying Agent, nor any other person will be obliged to pay any additional or further amounts as a result of any such withholding or deduction required by law (including FATCA).
Legal Maturity Date	<p>Unless previously redeemed in accordance with the Conditions, each Class of Notes will be redeemed on the Legal Maturity Date, subject to the limitations set forth in Condition 3.2 (<i>Limited Recourse</i>).</p> <p>The Issuer will be under no obligation to make any payment under the Notes in respect of any period after the Legal Maturity Date. See Condition 7.2 (<i>Legal Maturity Date</i>).</p>

Amortisation

On each Payment Date on and after the Revolving Period End Date and prior to the delivery of an Enforcement Notice, the Notes will be subject to redemption, in accordance with the Pre-Enforcement Priority of Payments, sequentially in the following order: *first*, the Class A Notes, in an amount equal to the excess of the Class A Notes Principal over the Class A Target Principal Amount, *second*, the Class B Notes, in an amount equal to the excess of the Class B Notes Principal over the Class B Target Principal Amount, *third*, the Class C Notes, in an amount equal to the excess of the Class C Notes Principal over the Class C Target Principal Amount, *fourth*, the Class D Notes, in an amount equal to the excess of the Class D Notes Principal over the Class D Target Principal Amount, *fifth*, the Class E Notes, in an amount equal to the excess of the Class E Notes Principal over the Class E Target Principal Amount, and, *sixth*, the Class F Notes, in an amount equal to the excess of the Class F Notes Principal over the Class F Target Principal Amount.

The Target Principal Amount for each Class of Notes on each Payment Date is equal to the excess of the Adjusted Aggregate Asset Amount Outstanding on the Calculation Date immediately preceding such Payment Date over the sum of the principal amount of any lower ranking Notes then outstanding on the Calculation Date immediately preceding such Payment Date.

On each Payment Date following the delivery an Enforcement Notice, the Notes will be subject to redemption, in accordance with Condition 3.2 (*Limited Recourse*) and the Post-Enforcement Priority of Payments, sequentially in the following order: *first*, the Class A Notes until the Class A Notes are redeemed in full, *second*, the Class B Notes until the Class B Notes are redeemed in full, *third*, the Class C Notes until the Class C Notes are redeemed in full, *fourth*, the Class D Notes until the Class D Notes are redeemed in full, *fifth*, the Class E Notes until the Class E Notes are redeemed in full, and, *sixth*, the Class F Notes until the Class F Notes are redeemed in full.

See Condition 7.1 (*Amortisation*).

Clean-Up Call Option

On any Payment Date (prior to delivery of an Enforcement Notice) on or following the Payment Date on which the Clean-Up Call Asset Amount Outstanding of the Purchased Receivables is equal to 10 per cent. or less of the aggregate Asset Amount Outstanding of the Purchased Receivables on the Closing Date, the Seller may opt under the Receivables Sale Agreement to repurchase all of the outstanding Purchased Receivables (together with any Related Collateral) at the Repurchase Price. If the Seller exercises the Clean-Up Call Option, the Issuer shall apply the Repurchase Price in accordance with the Pre-Enforcement Priority of Payments to redeem the Notes (subject to the requirements set out in Condition 7.3 (*Early Redemption*)). The exercise of the Clean-Up Call Option will be subject to there being sufficient proceeds from the Repurchase Price to redeem the Notes in full and to pay all amounts ranking prior thereto in accordance with the Pre-Enforcement Priority of Payments. See Condition 7.3 (*Early Redemption*). If the Clean-Up Call Option is exercised, Notes which are not redeemed will cease to be entitled to receive any further amounts from the Issuer.

Tax Call Option

In the event that the Issuer is required by law to deduct or withhold any taxes with respect to any payment under the Notes, the Notes may, at the option of the Seller and subject to certain conditions, be redeemed in full at their then Aggregate Note Principal Amount Outstanding, together with accrued but unpaid interest (if any) to the Payment Date fixed for redemption. See Condition 7.4 (*Optional Redemption for Taxation Reasons*).

Regulatory Change Event Call Option

On any Payment Date (prior to delivery of an Enforcement Notice) on or following the Payment Date on which a Regulatory Change Event occurs, the Seller may opt under the Receivables Sale Agreement to repurchase all of the outstanding Purchased Receivables (together with any Related Collateral) at the Repurchase Price. If the Seller exercises the Regulatory Change Event Call Option, the Issuer shall redeem the Notes in full (subject to the requirements set out in Condition 7.3 (*Early Redemption*)). The exercise of the Regulatory Change Event Call Option will be subject to there being sufficient proceeds from the Repurchase Price to redeem the Notes in full and to pay all amounts ranking prior thereto in accordance with the Pre-Enforcement Priority of Payments. See Condition 7.3 (*Early Redemption*). If the Regulatory Change Event Call Option is exercised, Notes which are not redeemed will cease to be entitled to receive any further amounts from the Issuer.

Secured Creditors and Security The Trustee, the Noteholders, the Seller, the Servicer, the Expenses Loan Provider, the Liquidity Reserve Loan Provider, the Account Bank, the Transaction Account Bank, the Cash Administrator, the Principal Paying Agent, the Registrar, the Agent Bank, the Corporate Administrator and any Appointee and any Receiver appointed pursuant to the Deed of Charge will constitute the Secured Creditors.

The obligations of the Issuer under the Notes will be secured by first ranking security interests granted to the Trustee for the benefit of the Noteholders and the other Secured Creditors in respect of certain rights of the Issuer specified in the Deed of Charge, including the Issuer's rights, interests and claims (a) in all of the Purchased Receivables and the Related Collateral, (b) arising under the Transaction Documents to which the Issuer is a party, and (c) in or in relation to any amounts standing to the credit of the Charged Accounts.

Enforcement If an Issuer Event of Default occurs, the Trustee may, in its absolute discretion and, if so directed by an Extraordinary Resolution of the holders of the Controlling Class or so requested in writing by the holders of at least 25 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class, shall (subject, in each case, to being indemnified and/or prefunded and/or secured to its satisfaction) deliver an Enforcement Notice to the Issuer declaring the Notes to be due and payable.

Following the delivery of an Enforcement Notice, the Trustee may, at its discretion and without further notice, institute such proceedings as it thinks fit to enforce the Security and any proceeds obtained from the enforcement of the Security pursuant to the Deed of Charge will be applied exclusively in accordance with the Post-Enforcement Priority of Payments. See Condition 3.8 (*Issuer Event of Default*) and "*Overview of the Transaction Documents—Deed of Charge—Enforcement of the Security*".

Governing Law The Notes will be governed by, and construed in accordance with, English law. All of the Transaction Documents will also be governed by English law or, in the case of certain security and sale provisions, Scots or Northern Irish law.

OVERVIEW OF CREDIT STRUCTURE AND CASHFLOW

Available Distribution Amount

The Available Distribution Amount, with respect to any Payment Date and the immediately preceding Collection Period, includes Collections, amounts credited to the Reinvestment Principal Ledger, interest earned on the Issuer Accounts, any amounts received from the Seller or the Servicer with respect to repurchases and the other amounts set forth under the definition of Available Distribution Amount in “*Glossary of Defined Terms*”.

Summary of Priority of Payments

The Available Distribution Amount will be applied on each applicable Payment Date generally as shown in the charts on the following pages. See Condition 7.6 (*Pre-Enforcement Priority of Payments*) and Condition 7.7 (*Post-Enforcement Priority of Payments*) for a more detailed description of the Priority of Payments.

Pre-Enforcement Priority of Payments

During the Revolving Period

On each Payment Date during the Revolving Period, Available Distribution Amounts shall be applied by the Cash Administrator (on behalf of the Issuer) as shown in the following chart:

PRE-ENFORCEMENT PRIORITY OF PAYMENTS DURING THE REVOLVING PERIOD

1st	TRUSTEE (Fees, costs, expenses, indemnities, etc.)
2nd	VARIOUS TRANSACTION PARTIES (Fees, costs, expenses, indemnities, etc.)
3rd	VARIOUS THIRD PARTY CREDITORS OF THE ISSUER (Fees, costs, expenses, indemnities, etc.)
4th	SERVICER (Fees, out-of-pocket costs, expenses, etc.)
5th	SELLER (Reimbursement of certain amounts due under the Receivables Sale Agreement)
6th	LIQUIDITY RESERVE LEDGER (If no Liquidity Draw Event is in effect, the amount required to ensure that the balance of the Liquidity Reserve Ledger is equal to the Required Liquidity Target Amount)
7th	CLASS A NOTEHOLDERS (Interest Amount and any Additional Interest)
8th	CLASS B NOTEHOLDERS (Interest Amount and any Additional Interest)
9th	CLASS C NOTEHOLDERS (Interest Amount and any Additional Interest)
10th	CLASS D NOTEHOLDERS (Interest Amount and any Additional Interest)
11th	CLASS E NOTEHOLDERS (Interest Amount and any Additional Interest)
12th	FURTHER RECEIVABLES (To pay any Further Receivables Purchase Price due and payable to the Seller)
13th	REINVESTMENT PRINCIPAL LEDGER (Following the purchase of Further Receivables under the prior step, amounts equal to (1) the Initial Purchase Price minus (2) the Adjusted Aggregate Asset Amount Outstanding (following the purchase of Further Receivables contemplated above))
14th	CLASS F NOTEHOLDERS (Interest Amount and any Additional Interest)
15th	EXPENSES LOAN PROVIDER (Interest due and payable and, thereafter, outstanding principal under the Expenses Loan Advance)
16th	LIQUIDITY RESERVE LOAN PROVIDER (Outstanding principal under the Liquidity Reserve Loan Advance)
17th	ISSUER (Retained Profit)
18th	SELLER (Deferred Consideration, if any, under the Receivables Sale Agreement)

On and after the Revolving Period End Date

On each Payment Date on and after the Revolving Period End Date, the Available Distribution Amount shall be applied by the Cash Administrator (on behalf of the Issuer) as shown in the following chart:

**PRE-ENFORCEMENT PRIORITY OF PAYMENTS
ON AND AFTER THE REVOLVING PERIOD END DATE**

1st	TRUSTEE (Fees, costs, expenses, indemnities, etc.)
2nd	VARIOUS TRANSACTION PARTIES (Fees, costs, expenses, indemnities, etc.)
3rd	VARIOUS THIRD PARTY CREDITORS OF THE ISSUER (Fees, costs, expenses, indemnities, etc.)
4th	SERVICER (Fees, out-of-pocket costs, expenses, etc.)
5th	SELLER (Reimbursement of certain amounts due under the Receivables Sale Agreement)
6th	LIQUIDITY RESERVE LEDGER (If no Liquidity Draw Event is in effect, the amount required to ensure that the balance of the Liquidity Reserve Ledger is equal to the Required Liquidity Target Amount)
7th	CLASS A NOTEHOLDERS (Interest Amount and any Additional Interest)
8th	CLASS B NOTEHOLDERS (Interest Amount and any Additional Interest)
9th	CLASS C NOTEHOLDERS (Interest Amount and any Additional Interest)
10th	CLASS D NOTEHOLDERS (Interest Amount and any Additional Interest)
11th	CLASS E NOTEHOLDERS (Interest Amount and any Additional Interest)
12th	CLASS A NOTEHOLDERS (Excess of Class A Notes Principal over Class A Target Principal Amount)
13th	CLASS B NOTEHOLDERS (Excess of Class B Notes Principal over Class B Target Principal Amount)
14th	CLASS C NOTEHOLDERS (Excess of Class C Notes Principal over Class C Target Principal Amount)
15th	CLASS D NOTEHOLDERS (Excess of Class D Notes Principal over Class D Target Principal Amount)
16th	CLASS E NOTEHOLDERS (Excess of Class E Notes Principal over Class E Target Principal Amount)
17th	CLASS F NOTEHOLDERS (Interest Amount and any Additional Interest)
18th	CLASS F NOTEHOLDERS (Excess of Class F Notes Principal over Class F Target Principal Amount)
19th	EXPENSES LOAN PROVIDER (Interest due and payable and, thereafter, outstanding principal under the Expenses Loan Advance)
20th	LIQUIDITY RESERVE LOAN PROVIDER (Outstanding principal under the Liquidity Reserve Loan Advance)
21st	ISSUER (Retained Profit)
22nd	SELLER (Deferred Consideration, if any, under the Receivables Sale Agreement)

**Post-Enforcement
Priority of
Payments**

Either (i) following the delivery of an Enforcement Notice and prior to the full discharge of all Secured Obligations or (ii) if the Notes are redeemed in full pursuant to the Conditions, any amounts standing to the credit of the Issuer Accounts shall be applied by the Cash Administrator (on behalf of the Trustee) or by the Trustee on subsequent Payment Dates as shown in the following chart:

POST-ENFORCEMENT PRIORITY OF PAYMENTS

1st	TRUSTEE (Fees, costs, expenses, indemnities, etc.)
2nd	SERVICER (Fees, out-of-pocket costs, expenses, etc.)
3rd	VARIOUS TRANSACTION PARTIES AND OTHER THIRD PARTIES (Fees, costs, expenses, indemnities, etc.)
4th	EXPENSES LOAN PROVIDER (Interest due and payable and, thereafter, outstanding principal under the Expenses Loan Advance)
5th	LIQUIDITY RESERVE LOAN PROVIDER (Interest due and payable and, thereafter, outstanding principal under the Liquidity Reserve Loan Advance)
6th	CLASS A NOTEHOLDERS (Interest Amount and any Additional Interest)
7th	CLASS A NOTEHOLDERS (Class A Notes Principal until reduced to zero)
8th	CLASS B NOTEHOLDERS (Interest Amount and any Additional Interest)
9th	CLASS B NOTEHOLDERS (Class B Notes Principal until reduced to zero)
10th	CLASS C NOTEHOLDERS (Interest Amount and any Additional Interest)
11th	CLASS C NOTEHOLDERS (Class C Notes Principal until reduced to zero)
12th	CLASS D NOTEHOLDERS (Interest Amount and any Additional Interest)
13th	CLASS D NOTEHOLDERS (Class D Notes Principal until reduced to zero)
14th	CLASS E NOTEHOLDERS (Interest Amount and any Additional Interest)
15th	CLASS E NOTEHOLDERS (Class E Notes Principal until reduced to zero)
16th	CLASS F NOTEHOLDERS (Interest Amount and any Additional Interest)
17th	CLASS F NOTEHOLDERS (Class F Notes Principal until reduced to zero)
18th	ISSUER (Retained Profit)
19th	SELLER (Deferred Consideration, if any, under the Receivables Sale Agreement)

General Credit Structure

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

Liquidity Reserve Fund

The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will have the benefit of the Liquidity Reserve Fund which will provide limited protection against shortfalls in the amounts required to pay interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes in the event of a Liquidity Draw Event in accordance with the relevant Priority of Payments. See “*Credit Structure—Liquidity Reserve Fund*” and “*Risk Factors—Limited availability of Liquidity Reserve Fund*”. The balance of the Liquidity Reserve Fund from time to time will be recorded on the Liquidity Reserve Ledger, which will be operated by the Cash Administrator as a ledger on the Transaction Account.

The Liquidity Reserve Fund will be funded on the Closing Date in an amount equal to the Liquidity Reserve Loan Initial Amount with an advance from the Liquidity Reserve Loan Provider under the Liquidity Reserve Loan Agreement. See “*Overview of the Transaction Documents—Liquidity Reserve Loan Agreement*”.

Prior to the delivery of an Enforcement Notice:

- if on a Payment Date a Liquidity Draw Event is continuing, then an amount equal to the lower of (i) the amount (if any) by which items (a) to (k) of the Pre-Enforcement Priority of Payments exceeds the Available Distribution Amount (the **Liquidity Shortfall**) and (ii) the Liquidity Reserve Maximum Drawing Limit shall be applied to make payments in respect of items (a) to (k) of the Pre-Enforcement Priority of Payments. See “*Credit Structure—Liquidity Reserve Fund*”;
- if no Liquidity Draw Event is continuing on a Payment Date, the Liquidity Reserve Fund will be replenished on such Payment Date up to the Required Liquidity Target Amount, determined as at the Calculation Date immediately preceding such Payment Date, to the extent of any excess Available Distribution Amount not used to meet the prior-ranking payment obligations of the Issuer in accordance with the Pre-Enforcement Priority of Payments. See Condition 7.6 (*Pre-Enforcement Priority of Payments*) and “*Credit Structure—Pre-Enforcement Priority of Payments*”;
- on each Payment Date, the amount (if any) by which amounts credited to the Liquidity Reserve Fund exceed the Required Liquidity Target Amount, determined as at the Calculation Date immediately preceding such Payment Date (the **Liquidity Excess Amount**), shall not constitute Available Distribution Amounts and shall instead be applied to repay outstanding principal under the Liquidity Reserve Loan Advance and, upon repayment of the Liquidity Reserve Loan Advance in full, to pay Deferred Consideration directly to the Seller; and
- on each Payment Date, any interest accrued on amounts credited to the Liquidity Reserve Fund as at the Calculation Date immediately preceding such Payment Date will not constitute Available Distribution Amounts and will instead be applied to pay interest on the Liquidity Reserve Loan Advance directly to the Liquidity Reserve Loan Provider.

See “*Glossary of Defined Terms*” for a description of the calculation of the Required Liquidity Target Amount.

Following delivery of an Enforcement Notice, amounts credited to the Liquidity Reserve Fund will be used to directly pay accrued interest on the Liquidity Reserve Loan Advance and to repay the Liquidity Reserve Loan Advance in full directly to the Liquidity Reserve Loan Provider. Amounts credited to the Liquidity Reserve Fund will only be included as Available Distribution Amounts following delivery of an Enforcement Notice and upon payment in full of all amounts outstanding in respect of the Liquidity Reserve Loan Advance.

Subordination

The Issuer's obligations to make payments of:

- (i) principal and interest on the Class F Notes will be subordinated to the Issuer's obligations to make payments of principal and interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes (and to certain other payment obligations of the Issuer as set out in the Pre-Enforcement Priority of Payments);
- (ii) (a) principal on the Class E Notes will be subordinated to the Issuer's obligations to make payments of principal on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes (and to certain other payment obligations of the Issuer as set out in the Pre-Enforcement Priority of Payments), (b) principal on the Class D Notes will be subordinated to the Issuer's obligations to make payments of principal on the Class A Notes, the Class B Notes and the Class C Notes (and to certain other payment obligations of the Issuer as set out in the Pre-Enforcement Priority of Payments), (c) principal on the Class C Notes will be subordinated to the Issuer's obligations to make payments of principal on the Class A Notes and the Class B Notes (and to certain other payment obligations of the Issuer as set out in the Pre-Enforcement Priority of Payments), and (d) principal on the Class B Notes will be subordinated to the Issuer's obligations to make payments of principal on the Class A Notes (and to certain other payment obligations of the Issuer as set out in the Pre-Enforcement Priority of Payments); and
- (iii) (a) interest on the Class E Notes will be subordinated to the Issuer's obligations to make payments of interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes (and to certain other payment obligations of the Issuer as set out in the Pre-Enforcement Priority of Payments), (b) interest on the Class D Notes will be subordinated to the Issuer's obligations to make payments of interest on the Class A Notes, the Class B Notes and the Class C Notes (and to certain other payment obligations of the Issuer as set out in the Pre-Enforcement Priority of Payments), (c) interest on the Class C Notes will be subordinated to the Issuer's obligations to make payments of interest on the Class A Notes and the Class B Notes (and to certain other payment obligations of the Issuer as set out in the Pre-Enforcement Priority of Payments), and (d) interest on the Class B Notes will be subordinated to the Issuer's obligations to make payments of interest on the Class A Notes (and to certain other payment obligations of the Issuer as set out in the Pre-Enforcement Priority of Payments).

See Condition 7.6 (*Pre-Enforcement Priority of Payments*) and "*Credit Structure—Pre-Enforcement Priority of Payments*".

**Reinvestment
Principal Ledger**

During the Revolving Period, Available Distribution Amounts will be credited to the Reinvestment Principal Ledger in accordance with the Pre-Enforcement Priority of Payments. Any such amounts credited to the Reinvestment Principal Ledger will then be allocated towards the purchase of Further Receivables during the Revolving Period in accordance with the Pre-Enforcement Priority of Payments. After the Revolving Period, such amounts will be applied as Available Distribution Amounts in accordance with the Pre-Enforcement Priority of Payments or, following the delivery of an Enforcement Notice and prior to the full discharge of all Secured Obligations, the Post-Enforcement Priority of Payments.

Listing

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

OVERVIEW OF RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS

Resolutions of Noteholders The Notes will contain provisions pursuant to which the Noteholders may agree by Extraordinary Resolution (whether by voting at a Meeting or by Written Resolution) to amend the Conditions. An Extraordinary Resolution passed by way of a quorate meeting (see quorum requirements below, which depend on whether the matter under consideration relates to certain key terms of the Notes) will require a majority of 75 per cent. or more of the votes cast at such meeting.

Initial Meeting

Adjourned Meeting

Noteholder Meeting Provisions *Notice Period* 21 days (exclusive of the day on which the notice is given and the day on which the relevant meeting is to be held) for the initial meeting. 10 days (exclusive of the day on which the notice is given and the day on which the relevant meeting is to be held) for an adjourned meeting.

Quorum (a) To vote on an Extraordinary Resolution (other than regarding a Reserved Matter), two or more persons holding or representing more than 50 per cent. of the Aggregate Note Principal Amount Outstanding of the Notes of the relevant Class or Classes then outstanding for the initial meeting; (a) To vote on an Extraordinary Resolution (other than regarding a Reserved Matter), two or more persons holding or representing more than 25 per cent. of the Aggregate Note Principal Amount Outstanding of the Notes of the relevant Class or Classes then outstanding for an adjourned meeting;

(b) to vote on an Extraordinary Resolution relating to a Reserved Matter, two or more persons holding or representing in aggregate at least 75 per cent. of the Aggregate Note Principal Amount Outstanding of the Notes of the relevant Class or Classes then outstanding for the initial meeting. (b) to vote on an Extraordinary Resolution relating to a Reserved Matter, two or more persons holding or representing at least 33 1/3 per cent. of the Aggregate Note Principal Amount Outstanding of the Notes of the relevant Class or Classes then outstanding for an adjourned meeting.

Required Majority More than 75 per cent. of the votes cast at a duly convened Meeting for matters requiring an Extraordinary Resolution.

Written Resolution A Written Resolution signed by or on behalf of one or more persons holding not less than 75 per cent. of the Aggregate Note Principal Amount Outstanding of the Notes of the relevant Class shall take effect as if it were an Extraordinary Resolution.

See Condition 12 (*Meetings of Noteholders, Modification, Waiver, Substitution and Exchange*).

Provision of Information to Noteholders Information in respect of the underlying Portfolio will be provided to the Noteholders on a monthly basis by the Servicer pursuant to the terms of the Servicing Agreement.

Relationship among Noteholders and between Noteholders and other Secured Creditors So long as the Notes are outstanding, the Trustee will have regard to the interests of both the Noteholders and the other Secured Creditors, but if in the Trustee's sole opinion there is a conflict between their interests it will have regard solely to the interests of the Noteholders.

If there is a conflict (in the opinion of the Trustee) between the interests of the holders of different Classes of Notes, the Trustee is obliged to give priority to the interests of the Class A Noteholders until the Class A Notes are redeemed in full, then to the Class B Noteholders until the Class B Notes are redeemed in full, then to the Class C Noteholders until the Class C Notes are redeemed in full, then to the Class D Noteholders until the Class D Notes are redeemed in full and then to the Class E Noteholders until the Class E Notes are redeemed in full.

Communication with Noteholders

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

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

Right of Modification without Noteholder Consent

Pursuant to and in accordance with the detailed provisions of Condition 12(c) (*Modifications*), the Trustee shall be obliged, without any consent of the Noteholders, to concur with the Issuer in making any modification (other than a Reserved Matter) to the Conditions and/or any Transaction Document or enter into any new, supplemental or additional documents for the purposes 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; or
- enable the transactions effected by the Transaction Documents to constitute a transfer of significant credit risk within the meaning of Article 243(2) of the CRR.

Among other things, the Issuer must certify, by way of a Modification Certificate, to the Trustee that it has provided at least 30 days' notice to Noteholders of each Class of the proposed modification in accordance with Condition 13 (*Notice to Noteholders*) and by publication on Bloomberg on the "Company News" screen relating to the Notes. If Noteholders representing at least 10 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class then outstanding have notified the Issuer in writing that such Noteholders do not consent to the modification, then such modification will not be made unless passed by an Extraordinary Resolution of the Noteholders of the Controlling Class then outstanding in accordance with Condition 12(a)(ii) (*Meetings of Noteholders*).

RISK FACTORS

The following is a summary of certain factors which prospective investors should consider before deciding to purchase the Notes. The following statements are not exhaustive; prospective investors are requested to consider all the information in this Prospectus, make such other enquiries and investigations as they consider appropriate and reach their own views prior to making any investment decisions.

Commercial Risks Relating to Investment in the Notes

The Notes may not be a suitable investment for all investors

The Notes are complex securities and investors should possess, or seek the advice of advisers with, the expertise necessary to evaluate the information contained in this Prospectus in the context of such investor's individual financial circumstances and tolerance for risk. An investor should not purchase Notes unless it understands the principal repayment, credit, liquidity, market and other risks associated with the Notes.

In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviours of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Neither the Issuer nor any other Transaction Party is acting as an investment adviser, or assumes any fiduciary obligation, to any investor in the Notes and investors may not rely on any such entity. The Transaction Parties do not assume any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any of the Transaction Parties.

There is no secondary market for the Notes

Although application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market, there is not at present an active and liquid secondary market for the Notes. There can be no assurance that a secondary market for the Notes will develop or, if it does develop, that it will provide the relevant Noteholders with liquidity of investment, or that it will continue for the life of the Notes, as applicable. In addition, the Notes have not been registered under the Securities Act or any state securities or "blue sky" laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S, unless an exemption is available from, or the transaction is not subject to, the registration requirements of the Securities Act and the offer and sale are made in accordance with all applicable state securities and "blue sky" laws. Accordingly, the Notes are being offered and sold outside the United States to persons other than U.S. persons pursuant to Regulation S and certain transfers of Notes or interests therein may only be effected in accordance with, and subject to, certain transfer restrictions and certification requirements. For a description of certain restrictions on resales or transfers, see "*Transfer Restrictions*" herein.

Noteholders should be aware of the prevailing and widely reported global credit market conditions which continue at the date hereof, and the general lack of liquidity in the secondary market for instruments similar to the Notes. Specifically, the secondary markets have experienced disruptions resulting from reduced investor demand for asset-backed securities and increased investor yield requirements for those securities. As a result, the secondary market for asset-backed securities has experienced limited liquidity which has had an adverse effect on the market value of asset-backed securities such as the Notes. Limited liquidity in the secondary market may continue to have an 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. Furthermore, the market values of the Notes are likely to fluctuate with changes in prevailing rates of interest, market perceptions of risks associated with the Notes, supply and other market conditions. Any such fluctuation may be significant and could result in significant losses to investors in the Notes or in the sale of Notes by Noteholders in any secondary market transaction at a discount to the original price of such Notes. In addition, the forced sale into the

market of asset-backed securities held by investors that are currently experiencing funding difficulties due to uncertainty about the financial stability of several countries in the EU, the increasing risk that those countries may default on their sovereign debt, and related stresses on financial markets, could adversely affect an investor's ability to sell, and/or the price an investor receives for, the Notes in the secondary market.

Furthermore, while central bank schemes such as the Bank of England's Discount Window Facility which was launched in October 2008 provide an important source of liquidity in respect of eligible securities, recent restrictions in respect of the relevant eligibility criteria for eligible collateral which apply and will apply in the future under such facility are likely to adversely impact secondary market liquidity for auto loan-backed securities in general, regardless of whether the Notes are eligible securities.

The Issuer cannot predict when these circumstances will change nor, if and when they do, whether conditions of general market illiquidity for the Notes and instruments similar to the Notes will return in the future. Consequently, any purchaser of the Notes must be prepared to hold such Notes for an indefinite period of time or until final redemption or maturity of such Notes. The Managers are under no obligation to assist in the resale of the Notes.

Economic conditions in the eurozone

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

UK's exit from the European Union

On 23 June 2016, the UK held a referendum on the UK's membership of the EU. The result of the referendum's vote was to leave the EU, which creates a number of uncertainties within the UK, and regarding its relationship with the EU.

The result is likely to generate further increased volatility in the markets and economic uncertainty which could adversely affect one or more of the Transaction Parties (including the Seller and/or the Servicer) and/or any Customer in respect of the Purchased Receivables. Until the terms and timing of the UK's exit from the EU are confirmed, it is not possible to determine the full impact that the referendum, the UK's departure from the EU and/or any related matters may have on general economic conditions in the UK. The negotiation of the UK's exit terms is likely to take a number of years.

Given the current uncertainties and the range of possible outcomes, no assurance can be given as to the impact of any of the matters described above and, in particular, no assurance can be given that such matters would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Ratings of the Notes

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the Rating Agencies. The ratings assigned to the Notes should be evaluated independently from similar ratings on other types of securities. There is no assurance that the ratings will continue for any period of time or that they will not be lowered, reviewed, suspended or withdrawn by the Rating Agencies. In the event that the ratings initially assigned to the 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 and neither the Issuer nor any other person or entity is obliged to appoint a substitute Rating Agency or Rating Agencies or otherwise obtain any alternative, substitute or additional ratings for the Notes from any other source.

Each rating assigned to the Notes by the Rating Agencies takes into consideration the structural and legal aspects associated with the Notes, as applicable, and the underlying Purchased Receivables, the credit quality of the Portfolio, the extent to which the Customers' payments under the Purchased Receivables are adequate to make the payments required under the Notes, as applicable, as well as other relevant features of the structure, including the credit rating of the Account Bank, the Transaction Account Bank, the Seller and the Servicer. Each Rating Agency's rating reflects only the view of that Rating Agency.

It should be noted that a Rating Agency may revise its relevant rating methodology at any time which could affect the ratings assigned to the Notes. Additionally, a Rating Agency may have a conflict of interest where, as is the case with the ratings of the Notes by the Rating Agencies, the issuer of a security pays the fee charged by the Rating Agency for its rating service.

The Issuer has not requested a rating of the Notes by any rating agency other than the Rating Agencies. However, rating agencies other than the Rating Agencies may seek to rate the Notes and such “unsolicited” ratings of the Notes may be assigned by a non-hired NRSRO at any time, even prior to the Closing Date. NRSROs have different methodologies, criteria, models and requirements, which may result in unsolicited ratings of the Notes by a non-hired NRSRO that are lower than those assigned by the Rating Agencies. If a non-hired NRSRO issues a lower rating, the liquidity and market value of the Notes, as applicable, could be materially and adversely affected. In addition, the mere possibility that such a rating could be issued may affect price levels in any secondary market that may develop. Regulatory and legislative developments may have an impact on the weight investors in the secondary market give to a rating and this may affect the ability of investors to resell their Notes.

Credit Aspects of the Transaction

Performance of the Purchased Receivables is uncertain

If the Seller does not receive the full amount due from the Customers in respect of the Purchased Receivables, the Noteholders are at risk of receiving less than the face value of their Notes and interest payable thereon. Consequently, the Noteholders are exposed to the credit risk of the Customers. Neither the Seller nor the Issuer guarantees or warrants the full and timely payment by the Customers of any sums payable under the Purchased Receivables. The ability of any Customer to make timely payments of amounts due under the relevant Underlying Agreement will mainly depend on his or her assets and liabilities as well as his or her ability to generate sufficient income to make the required payments. The Customers’ ability to generate income may be adversely affected by a large number of factors. There is no assurance that the present value of the Purchased Receivables will at any time be equal to or greater than the Aggregate Note Principal Amount Outstanding of the Notes.

In addition, there can be no assurance as to the future geographical distribution of the Customers or the Financed Vehicles and its effect, in particular, on the rate of amortisation of the Purchased Receivables. Although the Customers are located throughout the United Kingdom, these Customers 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 Customers are located (or any deterioration in the economic condition of other areas) may have an adverse effect on the ability of the Customers to make payments under the Underlying Agreements and the ability of SC UK to sell the Financed Vehicles. A concentration of the Customers 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 a Customer default may itself be influenced by various economic, tax, legal and other factors such as changes in the value of the Financed Vehicles or the level of interest rates from time to time. There might be various risks involved in the sales of used vehicles which could significantly influence the amount of proceeds generated from the sale, e.g. high mileage and damage, less popular configuration (engine, colour etc.), oversized special equipment, huge numbers of homogeneous types of vehicles in short time intervals, general price volatility in the used vehicles market or seasonal impact on sales. See “—*Weighted Average Life of Notes*”.

Changing characteristics of the Purchased Receivables during the Revolving Period

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

Because of payments on the Purchased Receivables and purchases of Further Receivables during the Revolving Period, concentrations of Customers in the pool may be substantially different from the concentration that exists on the Closing Date. Such concentration or other changes of the pool could adversely affect the delinquency, or credit loss, of the Purchased Receivables.

The Revolving Period will end if a Revolving Period Termination Event occurs

On each Payment Date during the Revolving Period, amounts may be used to purchase Further Receivables in accordance with the Pre-Enforcement Priority of Payments. However, following the occurrence of a Revolving Period Termination Event, the Revolving Period will terminate and no Further Receivables may be sold after the date of the event. Available Distribution Amounts will then be distributed in accordance with the terms of the Pre-Enforcement Priority of Payments.

Deferral of interest payments on the Notes

Payments of interest on the Notes may be deferred prior to the delivery of an Enforcement Notice if the Issuer has paid the relevant Interest Amount to the Principal Paying Agent and the Principal Paying Agent fails to pay the relevant Interest Amount to the applicable Noteholders. In that circumstance, the amount due (but unpaid) to such Noteholders will be deferred to the next Payment Date. The Interest Amount due to the relevant Noteholders on the next Payment Date will be increased by the unpaid amount and Additional Interest will accrue on such unpaid amount. Payments of interest on the Class A Notes and, while any such Class is the Controlling Class, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes may not be deferred in any other scenarios—any failure by the Issuer to pay the relevant Interest Amount with respect to the Class A Notes or, while any such Class is the Controlling Class, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes to the Principal Paying Agent which is not cured within five Business Days will trigger an Issuer Event of Default.

For so long as the relevant Class of Notes is not the Controlling Class, Class B Interest Amounts, Class C Interest Amounts, Class D Interest Amounts, Class E Interest Amounts and Class F Interest Amounts may be deferred prior to the Legal Maturity Date until any Payment Date upon which funds are available to the Issuer to make such payments. Such a deferral will not constitute an Issuer Event of Default. The Interest Amount due to the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders or the Class F Noteholders (as applicable) on subsequent Payment Dates will be increased by the unpaid amounts and Additional Interest will accrue on such unpaid amounts.

Weighted average life of Notes

The weighted average life of the Notes is volatile. In the event that the Purchased Receivables are prematurely terminated or otherwise settled early (including due to higher than expected prepayment rates), the principal repayment of the Notes may be earlier than expected. The yield on the Notes may be adversely affected by a higher or lower than anticipated rate of prepayment of the Purchased Receivables. The rate of prepayment of the Purchased Receivables cannot be predicted and is influenced by a wide variety of economic and other factors, including prevailing interest rates, the buoyancy of the 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 Purchased 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 Purchased 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 “—*Performance of the Purchased Receivables is uncertain*”.

Limited availability of Liquidity Reserve Fund

Certain credit and liquidity enhancement features, including amounts credited to the Liquidity Reserve Fund, serve a limited purpose and/or are limited in amount. Prior to the delivery by the Trustee of an Enforcement Notice, in the event of a Liquidity Draw Event, amounts from the Liquidity Reserve Fund may only be drawn to reduce Liquidity Shortfalls (including with respect to interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes) in accordance with the Pre-Enforcement Priority of Payments. The Liquidity Reserve Loan Advance made to the Issuer will be used on the Closing Date to fund the Liquidity Reserve Fund up to the Required Liquidity Target Amount. After the Closing Date, the Issuer will not be entitled to make any further drawings under the Liquidity Reserve Loan Agreement to supplement amounts on deposit in the Liquidity Reserve Fund. In addition, if a Liquidity Draw Event occurs and there is a Liquidity Shortfall, the amount of the Liquidity Reserve Fund may be partially or fully depleted and not replenished. This depletion could result in shortfalls and delays in distributions to holders of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and/or the Class E Notes.

Reliance on representations, warranties and undertakings

If any Purchased Receivable and the Related Collateral do not correspond, in whole or in part, to the representations and warranties made by the Seller in the Receivables Sale Agreement on the relevant Purchase Date, a Seller Asset Warranty Breach may occur, in which case the Issuer will have certain rights of recourse against the Seller. In the case of an

unremedied material breach of any of the Seller Asset Warranties, the Seller will be required to repurchase the Non-Compliant Receivable (unless such Receivable has been found not to exist) at the Non-Compliant Receivable Repurchase Price. In the case of a Seller Asset Warranty Breach which is due to a breach of the Concentration Limits, the Seller will repurchase, at the Non-Compliant Receivable Repurchase Price, a random selection of relevant Purchased Receivables in an amount sufficient to remedy such breach of the relevant Concentration Limit. With respect to any Seller Asset Warranty Breach that occurs because a Purchased Receivable is found not to exist, the Seller will be required to indemnify the Issuer in an amount equal to the portion of the Purchase Price related to the relevant Purchased Receivable.

With respect to breaches of warranties under the Receivables Sale Agreement that are not Seller Asset Warranties, the Seller is obliged to indemnify the Issuer against any liability, losses and damages directly resulting from such breaches.

Further, under the Receivables Sale Agreement, the Seller provides certain undertakings to the Issuer in respect of the assets comprising the Portfolio, including that it will not cause any steps to be taken in respect of the Purchased Receivables and Related Collateral, save in accordance with the Underlying Agreements, the Transaction Documents and applicable law, which would involve the novation or the modification or waiver of any material provision of any Underlying Agreement other than any Permitted Variation effected in accordance with the Credit and Collection Policy. Where the Seller makes, in the ordinary course of business, a Non-Permitted Variation, the Seller may direct the Issuer to sell the relevant Purchased Receivable and its Related Collateral to the Seller at the Non-Compliant Receivable Repurchase Price.

There can be no assurance that the Seller will have the financial resources to honour its repurchase or indemnity obligations, or to pay any damages arising from breach of its obligations, under the Receivables Sale Agreement. Consequently, if any breach referred to above occurs and the affected Purchased Receivable is not repurchased or the Issuer is not appropriately indemnified or compensated by the Seller, as applicable, this may cause the Issuer to default under the Notes. See “*Overview of the Transaction Documents—Receivables Sale Agreement*”. Further, the yield to maturity of the Notes may be affected by the repurchase of Purchased Receivables which will result in prepayments on the Notes.

The Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will be subject to greater risk because of subordination

The Class B Notes will bear a greater risk of loss than the Class A Notes because, in addition to the Issuer’s payment obligations which rank senior to all of the Notes, (i) prior to the occurrence of an Enforcement Event, no payment of interest will be made on the Class B Notes until all payments of interest on the Class A Notes have been made in full, and no payment of principal will be made on the Class B Notes until all payments of principal on the Class A Notes have been made in full, and (ii) following the occurrence of an Enforcement Event, no payment of interest or principal will be made on the Class B Notes until all payments of interest and principal on the Class A Notes have been made in full.

The Class C Notes will bear a greater risk of loss than the Class A Notes and the Class B Notes because, in addition to the Issuer’s payment obligations which rank senior to all of the Notes, (i) prior to the occurrence of an Enforcement Event, no payment of interest will be made on the Class C Notes until all payments of interest on the Class A Notes and the Class B Notes have been made in full, and no payment of principal will be made on the Class C Notes until all payments of principal on the Class A Notes and the Class B Notes have been made in full, and (ii) following the occurrence of an Enforcement Event, no payment of interest or principal will be made on the Class C Notes until all payments of interest and principal on the Class A Notes and the Class B Notes have been made in full.

The Class D Notes will bear a greater risk of loss than the Class A Notes, the Class B Notes and the Class C Notes because, in addition to the Issuer’s payment obligations which rank senior to all of the Notes, (i) prior to the occurrence of an Enforcement Event, no payment of interest will be made on the Class D Notes until all payments of interest on the Class A Notes, the Class B Notes and the Class C Notes have been made in full, and no payment of principal will be made on the Class D Notes until all payments of principal on the Class A Notes, the Class B Notes and the Class C Notes have been made in full, and (ii) following the occurrence of an Enforcement Event, no payment of interest or principal will be made on the Class D Notes until all payments of interest and principal on the Class A Notes, the Class B Notes and the Class C Notes have been made in full.

The Class E Notes will bear a greater risk of loss than the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes because, in addition to the Issuer’s payment obligations which rank senior to all of the Notes, (i) prior to the occurrence of an Enforcement Event, no payment of interest will be made on the Class E Notes until all payments of interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been made in full, and no payment of principal will be made on the Class E Notes until all payments of principal on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been made in full, and (ii) following the occurrence of an Enforcement Event, no payment of interest or principal will be made on the Class E Notes until all payments of interest and principal on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been made in full.

The Class F Notes will bear a greater risk of loss than the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes because, in addition to the Issuer's payment obligations which rank senior to all of the Notes, (i) prior to the Revolving Period End Date, no payment of interest will be made on the Class F Notes until all payments of interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, payment of any Further Receivables Purchase Price and required credits to the Reinvestment Principal Ledger have been made in full, (ii) following the Revolving Period End Date but prior to the occurrence of an Enforcement Event, no payment of interest or principal will be made on the Class F Notes until all payments of interest and principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been made in full, and (iii) following the occurrence of an Enforcement Event, no payment of interest or principal will be made on the Class F Notes until all payments of interest and principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been made in full.

Conflicts of interest among Noteholders and between Noteholders and other Secured Creditors

In the exercise of all of its powers, trusts, authorities, duties and discretions, the Trustee is required to consider the interests of both the Noteholders and the other Secured Creditors but, if there is (in the opinion of the Trustee) a conflict between the interests of the Noteholders and the interests of any of the other Secured Creditors, the Trustee will consider only the interests of the Noteholders. If, however, there is a conflict (in the opinion of the Trustee) between the interests of the holders of the different Classes of Notes, the Trustee is obliged to give priority to the interests of the Class A Noteholders (to the extent that the Class A Notes are then outstanding), whose interests shall prevail, and, following redemption in full of the Class A Notes, the Trustee shall give priority to the interests of the Class B Noteholders (to the extent that the Class B Notes are then outstanding), whose interests shall then prevail, and, following redemption in full of the Class A Notes and the Class B Notes, the Trustee shall give priority to the interests of the Class C Noteholders (to the extent that the Class C Notes are then outstanding), whose interests shall then prevail, and, following redemption in full of the Class A Notes, the Class B Notes and the Class C Notes, the Trustee shall give priority to the interests of the Class D Noteholders (to the extent that the Class D Notes are then outstanding), whose interests shall then prevail, and, following redemption in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the Trustee shall give priority to the interests of the Class E Noteholders (to the extent that the Class E Notes are then outstanding), whose interests shall then prevail. Therefore, there may be conflicts between the interests of holders of one Class of Notes and the interests of any of the other Secured Creditors (including the holders of more senior Classes of Notes) and, in the event of a conflict of interest among holders of different Classes of Notes, the interest of more senior Classes will prevail over the interest of the junior Classes.

The Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will be subject to the interests of the Controlling Class

The Conditions also provide for resolutions of Noteholders to be passed by the Controlling Class, including resolutions that amend, reduce or cancel certain rights of the Noteholders against the Issuer, and the Trust Deed provides that any resolution passed by the Controlling Class will be binding on the other Classes. In the event that the Trustee receives conflicting or inconsistent directions or requests from two or more groups of holders of the Controlling Class, the Trustee will give priority to the group which holds the greatest principal amount of Notes outstanding of the Controlling Class. The rights of Noteholders under the Trust Deed are subject in such situations to the resolutions of the Controlling Class.

The Class A Notes will be the Controlling Class for so long as any Class A Notes are outstanding. When the Class A Notes have been paid in full, the Class B Notes will be the Controlling Class for so long as any Class B Notes are outstanding. When the Class A Notes and the Class B Notes have been paid in full, the Class C Notes will be the Controlling Class for so long as any Class C Notes are outstanding. When the Class A Notes, the Class B Notes and the Class C Notes have been paid in full, the Class D Notes will be the Controlling Class for so long as any Class D Notes are outstanding. When the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been paid in full, the Class E Notes will be the Controlling Class for so long as any Class E Notes are outstanding. When the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been paid in full, the Class F Notes will be the Controlling Class.

The rights of the Controlling Class will include the following:

- following an Issuer Event of Default, to direct the Trustee to institute such proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes of each Class;
- following a Servicer Termination Event, to decide whether to remove the Servicer; and
- to consent to certain other actions specified in the Trust Deed.

It should be noted that the Seller may hold all or a portion of certain Classes of Notes, including the Class A Notes. If the Seller holds only a portion of a Class of Notes, that portion will not be considered outstanding for certain purposes, including the voting rights of such Class of Notes. If, however, the Seller holds all of a Class of Notes, including the Class A Notes, pursuant to the Conditions those Notes will be considered outstanding for certain purposes, including the voting rights of such Class of Notes. Consequently, if the Seller holds all of a Class of Notes and such Notes are the Controlling Class, the Seller will be entitled to exercise its rights as holder of the Controlling Class without the consent of the remaining Noteholders.

In addition, pursuant to Condition 12(c)(ii) (*Modifications*), if Noteholders representing at least 10 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class then outstanding fail to notify the Trustee in writing that they do not consent to certain modifications which may be made without Noteholder consent as described below under “—*Noteholders will be deemed to have consented to certain modifications to the Transaction Documents so long as less than 10 per cent. of the Controlling Class objects to such modifications*”, then all Noteholders will be deemed to have consented to such modification and the Trustee shall, subject to the requirements of Condition 12(c)(ii) (*Modifications*), without seeking further consent or sanction of any of the Noteholders and irrespective of whether such modification is or may be materially prejudicial to the interest of the Noteholders of any Class, concur with the Issuer in making the proposed modification.

The Controlling Class may act solely in its own interests. While the Class A Notes are the Controlling Class, holders of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will not be able to control actions that are proposed or taken by the Controlling Class, which actions could adversely affect the holders of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes. While the Class B Notes are the Controlling Class, holders of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will not be able to control actions that are proposed or taken by the Controlling Class, which actions could adversely affect the holders of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes. While the Class C Notes are the Controlling Class, holders of the Class D Notes, the Class E Notes and the Class F Notes will not be able to control actions that are proposed or taken by the Controlling Class, which actions could adversely affect the holders of the Class D Notes, the Class E Notes and the Class F Notes. While the Class D Notes are the Controlling Class, holders of the Class E Notes and the Class F Notes will not be able to control actions that are proposed or taken by the Controlling Class, which actions could adversely affect the holders of the Class E Notes and the Class F Notes. While the Class E Notes are the Controlling Class, holders of the Class F Notes will not be able to control actions that are proposed or taken by the Controlling Class, which actions could adversely affect the holders of the Class F Notes.

The Trustee may agree to modifications to the Transaction Documents without the prior written consent of Noteholders

Pursuant to the terms of the Trust Deed, the Trustee may, without the consent or sanction of the Noteholders or any of the other Secured Creditors, at any time and from time to time, concur with the Issuer and/or any other relevant party in making any modifications to any of the Transaction Documents to which the Trustee is a party or in relation to which the Trustee holds security if the Trustee is of the opinion that such modification (a) will not be materially prejudicial to the interests of the Controlling Class (but excluding, in any event, modifications in respect of a Reserved Matter for which an Extraordinary Resolution of the Noteholders will be required), or (b) is of a formal, minor or technical nature or is necessary to correct a manifest error, or an error which is, in the opinion of the Trustee, proven.

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

Noteholders will be deemed to have consented to certain modifications to the Transaction Documents so long as less than 10 per cent. of the Controlling Class objects to such modifications

In addition to the right of the Trustee to make certain modifications to the Transaction Documents without Noteholder consent described under “—*The Trustee may agree to modifications to the Transaction Documents without the prior written consent of Noteholders*” above, the Trustee shall, without any consent or sanction of the Noteholders or any of the other Secured Creditors, concur with the Issuer in making any modification (other than a Reserved Matter) to the Trust Deed, the Conditions or any other Transaction Document to which it is a party or in relation to which it holds security in order to enable the Issuer to (i) comply with, or implement or reflect, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time or (ii) enable the transactions effected by the Transaction Documents to constitute a transfer of significant credit risk within the meaning of Article 243(2) of the CRR, subject to receipt by the Trustee of a certificate of the Issuer (or the Servicer on behalf of the Issuer) certifying to the Trustee that the amendments requested by the Issuer are to be made solely for the purpose of enabling the Issuer to comply with, implement or reflect such changed ratings criteria or enable the transactions to constitute a transfer of significant credit risk, as applicable.

If the Issuer proposes a modification of such Transaction Document and/or the Conditions as described above, it shall promptly cause the Trustee and all Noteholders to be notified of the proposed modification in accordance with Condition 13 (*Form of Notices*). If, within 30 calendar days from the giving of such notice, Noteholders representing at least 10 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class then outstanding have notified the Trustee in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such Notes may be held) that such Noteholders do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Controlling Class then outstanding is passed in favour of such modification in accordance with Condition 12(a)(ii) (*Meetings of Noteholders*). If, however, Noteholders representing at least 10 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class then outstanding fail to notify the Trustee in writing that they do not consent to such modification as set forth above, then all Noteholders will be deemed to have consented to such modification and the Trustee shall, subject to the requirements of Condition 12(c)(ii) (*Modifications*), without seeking further consent or sanction of any of the Noteholders and irrespective of whether such modification is or may be materially prejudicial to the interest of the Noteholders of any Class, concur with the Issuer in making the proposed modification.

Therefore, it is possible that a modification could be made without the vote of any Noteholders or even if holders holding less than 10 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class then outstanding objected to it. In addition, Noteholders should be aware that, unless they have made arrangements to promptly receive notices sent to Noteholders from any custodians or other intermediaries through which they hold their Notes and give the same their prompt attention, meetings may be convened or resolutions proposed and Extraordinary Resolutions may be considered and resolved or deemed to be passed without their involvement even if, were they to have been promptly informed, they would have voted in a different way from that which passed or rejected the relevant proposal or resolution. For more detail see “—*Other Considerations Relating to the Notes—Noteholders have to rely on the procedures of Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Issuer*”.

Considerations Relating to the Notes Following an Issuer Event of Default or Delivery of an Enforcement Notice

Proceeds of a sale of the Purchased Receivables may be insufficient to pay the Notes in full

Following delivery of an Enforcement Notice, the Purchased Receivables and any Related Collateral may be sold or otherwise liquidated. In this situation, there is no assurance that the market value of the Purchased Receivables will at any time be equal to or greater than the Aggregate Note Principal Amount Outstanding of the Notes. If, following enforcement of the Security, the proceeds of such enforcement prove ultimately insufficient, after payment of all claims ranking in priority to amounts due under the Notes, to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes, any shortfall arising will be extinguished and the Noteholders will have no further claim against the Issuer in respect of any such amounts nor will Noteholders have recourse to any other person for the loss sustained. See Condition 3 (*Provision of Security; Limited Payment Obligation; Issuer Event of Default*) for more information.

Subordination following delivery of an Enforcement Notice

The Issuer’s obligations under the Trust Deed, the Cash Administration Agreement, the Corporate Administration Agreement, the Account Bank Agreement, the Servicing Agreement and the Agency Agreement will be secured by the Security and such obligations will rank, in respect of payment following the delivery of an Enforcement Notice, senior to payments of interest and principal on all Notes. The senior or *pari passu* (as applicable) ranking of the obligations of the Issuer under the Trust Deed, the Cash Administration Agreement, the Corporate Administration Agreement, the Account Bank Agreement, the Servicing Agreement and the Agency Agreement following delivery of an Enforcement Notice may result in an insufficient amount of cashflow to make required payments of interest and/or principal on the Notes. See “*Overview of the Transaction Documents—Deed of Charge*”.

Other Considerations Relating to the Notes

Limited obligations, non-petition provisions and a lack of a sufficient Available Distribution Amount may affect payments on the Notes

The Notes represent obligations of the Issuer only, and do not represent obligations of, and are not guaranteed by, any other person or entity. In particular, the Notes do not represent obligations of, and will not be guaranteed by, any of the Seller, the Servicer, the Back-up Servicer Facilitator, the Trustee, the Account Bank, the Transaction Account Bank, the Principal Paying Agent, the Registrar, the Expenses Loan Provider, the Liquidity Reserve Loan Provider, the Agent Bank, the Cash Administrator, the Managers, the Corporate Administrator, the Listing Agent, the Common Safekeeper, the Common Services Provider or any of their respective affiliates or any affiliate of the Issuer or any other party (other than the Issuer) to the Transaction Documents or any other third person or entity (other than the Issuer).

The assets of the Issuer are the only source of funds for payments on the Notes and the Issuer's ability to make payments of principal and interest on the Notes and to pay its operating and administrative expenses will depend primarily on the transfer by the Seller of payments received by the Seller from Customers making payments under the Underlying Agreements. Other than the resources described above, the Issuer will not have any other significant sources of funds available to meet its obligations under the Notes and/or any other payments ranking in priority to the Notes. If the resources described above cannot provide the Issuer with sufficient funds to enable it to make the required payments on the Notes, Noteholders may incur a loss of interest and/or principal which would otherwise be due and payable on the Notes.

Furthermore, holding Notes does not confer any right to, or interest in, any Underlying Agreement or the related Financed Vehicle, or any right against the related Customer or any third party in connection with the Underlying Agreements or against SC UK. The Noteholders are relying on the business judgment and practices of the Servicer when enforcing claims against the Customers. See "*Overview of the Transaction Documents—Servicing Agreement*" and "*Credit and Collection Policy*".

In addition, none of the Noteholders, the Trustee or the other Secured Creditors (or any other person acting on behalf of any of them) will be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, winding-up, re-organisation, examinership, arrangement, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations relating to the Notes, the Trust Deed or the other documents relating to the issue of the Notes, save for in very limited circumstances, for two years and one day after the latest date on which the Notes are due to mature.

Replacement of the Servicer

Following the occurrence of a Servicer Termination Event, or upon the retirement of the Servicer, the performance of the Servicer's obligations under the Servicing Agreement will be undertaken by a Successor Servicer appointed by the Issuer who is able and agrees to perform the Services and enter into a replacement servicing agreement on substantially the same terms as the Servicing Agreement. In addition, a Successor Servicer would be required to be duly qualified and authorised to service finance contracts in the United Kingdom such as the Underlying Agreements which are subject to certain regulatory requirements.

If SC UK resigns or its appointment as Servicer is terminated, the processing of payments on the Purchased Receivables and the transmission of information relating to collections and the recovery and resale of the Financed Vehicles could be delayed which could, in turn, cause delays in payments on the Notes. SC UK (or any Successor Servicer) may be removed as Servicer if it defaults on its servicing obligations or if it becomes subject to insolvency proceedings. Further, a Successor Servicer, even if willing and able to act in accordance with the terms of the Servicing Agreement, may be less effective in this role than SC UK given SC UK's experience in servicing the Purchased Receivables. Finally, any Successor Servicer may charge a fee on a basis different from that of SC UK and payment of this fee will rank prior to payments on the Notes. See "*Overview of the Transaction Documents—Servicing Agreement*".

Banco Santander will agree in the Servicing Agreement to act as a Back-up Servicer Facilitator, which will require it to, (i) select a Successor Servicer satisfying the requirements set out in the Servicing Agreement and willing to assume the duties of a Successor Servicer in the event that a Servicer Termination Notice is delivered, (ii) review the information provided to it by the Servicer under the Servicing Agreement, (iii) enter into appropriate data confidentiality provisions, (iv) verify and confirm that the terms of any replacement servicing agreement require the Successor Servicer to put in place new direct debit mandates, (v) notify the Servicer if it requires further assistance and (vi) assist the Servicer to deliver a Notification Event Notice and/or set up alternative payment arrangements with the Customers with respect to a Servicer Termination Event.

Forwarding of payments received by the Servicer after the relevant Calculation Date

The Servicer has undertaken to transfer any Collections it receives in its capacity as Seller to the Transaction Account within one Business Day following receipt by it into the Seller Accounts. No guarantee is given that the Servicer will promptly (or within one Business Day) forward all amounts collected from Customers pursuant to the relevant Underlying Agreements to the Transaction Account. No specific cash reserve other than the Liquidity Reserve Fund will be established to avoid any resulting shortfall in the payments of principal and interest by the Issuer in respect of the Notes and amounts on deposit in the Liquidity Reserve Fund are limited and are only available in respect of a Liquidity Shortfall (including interest payments on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes) and only following a Liquidity Draw Event. Consequently, any Collections that are forwarded to the Transaction Account after the relevant Calculation Date will not be available for payments to Noteholders until subsequent Payment Dates. See "*Overview of the Transaction Documents—Servicing Agreement—Termination of the Servicing Agreement*".

Reliance on third parties

The ability of the Issuer to meet its obligations under the Notes will be dependant upon the performance of duties owed by a number of third parties that will agree to perform services in relation to the Notes. For example, the Corporate Administrator will provide corporate services under the Corporate Administration Agreement, and the Principal Paying Agent and the Agent Bank will provide payment and calculation services in connection with the Notes. In the event that any of these third parties fails to perform its obligations under the respective agreements to which it is a party, or the creditworthiness of these third parties deteriorates, the Noteholders may be adversely affected. See “*Overview of the Transaction Documents*”.

No independent investigation and limited information

None of the Managers, the Trustee nor the Issuer has undertaken or will undertake any investigations, searches or other actions to verify the details of the Purchased Receivables or to establish the creditworthiness of any Customer or any other party to the Transaction Documents. Each of the Managers, the Trustee and the Issuer will rely solely on the accuracy of the representations and warranties given by the Seller to the Issuer in the Receivables Sale Agreement in respect of the Purchased Receivables, the Customers, the Underlying Agreements and the Related Collateral. The benefit of all such representations and warranties given to the Issuer will be assigned by the Issuer by way of security in favour of the Trustee under the Deed of Charge.

The Seller is under no obligation to, and will not, provide the Managers, the Trustee or the Issuer with financial or other information specific to individual Customers and Underlying Agreements to which the Purchased Receivables relate. The Managers, the Trustee and the Issuer will only be supplied with general aggregated information regarding the Customers and the Underlying Agreements, none of which the Managers, the Trustee or the Issuer has taken or will take steps to verify.

Right to Financed Vehicles

The Issuer will acquire from the Seller certain interests in the Purchased Receivables, including rights to receive payments from Customers under the Underlying Agreements, the Financed Vehicle resale proceeds and other ancillary rights under the Underlying Agreements.

It may be difficult to trace and repossess a Financed Vehicle. In addition, any proceeds of sale of a Financed Vehicle by SC UK following its repossession may be less than the amount owed under the related Underlying Agreement, and any Financed Vehicle may be subject to an existing lien (for example, in respect of repairs carried out by a garage for which no payment has yet made). The rates of depreciation of the Financed Vehicles may exceed the decrease of the aggregate Asset Amount Outstanding. In particular, new vehicles may experience a significant decline in value immediately after the date on which they are first acquired by a Customer. Additionally, pricing of used vehicles fluctuates according to supply and demand which is driven by broader economic factors. Consequently, during the first years of an Underlying Agreement, the value of the related Financed Vehicle may be lower than the Asset Amount Outstanding of the relevant Purchased Receivable.

The value of Financed Vehicles may also be adversely affected by faulty design, manufacture or maintenance of the Financed Vehicle, and similar issues may arise in respect of multiple Financed Vehicles or an entire class of Financed Vehicles. For example, it should be noted that nearly 10 per cent. of the Financed Vehicles in the Initial Portfolio are manufactured by members of the Volkswagen corporate group and may be affected by engine software installed on certain vehicles which may circumvent emission standards for certain pollutants. It is uncertain whether these circumstances will affect the residual values of the relevant Financed Vehicles and a negative impact cannot be ruled out.

No transfer of title to Financed Vehicles

In relation to Underlying Agreements in respect of which the Seller retains title to the vehicle, the Issuer will not obtain title to the Financed Vehicles nor will it have any direct right to repossess a Financed Vehicle if a Customer defaults.

Contractual Priorities of Payments

The validity of contractual priorities of payments such as those contemplated in this Transaction has been challenged in the English and U.S. courts. The hearings have arisen due to the insolvency of a secured creditor (in that case a swap counterparty) and have considered whether such payment priorities breach the “anti-deprivation” principle under English insolvency law and the bankruptcy law rules against “ipso facto” provisions under U.S. bankruptcy law. The anti-deprivation principle in the U.K., and the rule against “ipso facto” provisions in the U.S., prevents a party from agreeing to a provision that deprives its creditors of an asset upon its insolvency. It was argued that, where a secured creditor

subordinates itself to noteholders in the event of its insolvency, that secured creditor effectively deprives its own creditors. The Supreme Court of the United Kingdom in *Belmont Park Investments Pty Limited v BNY Corporate Trustee Services Limited and Lehman Brothers Special Financing Inc.* [2011] UKSC 38 unanimously upheld the decision of the Court of Appeal in dismissing this argument and upholding the validity of similar priorities of payment, stating that, provided that such provisions form part of a commercial transaction entered into in good faith which does not have as its predominant purpose, or one of its main purposes, the deprivation of the property of one of the parties on bankruptcy, the anti-deprivation principle was not breached by such provisions.

In parallel proceedings in New York in *Lehman Brothers Special Financing, Inc. v. BNY Corporate Trustee Services Limited (In re Lehman Brothers Holdings, Inc.)*, 422 B.R. 407 (Bankr. S.D.N.Y. 2010), Judge Peck of the U.S. Bankruptcy Court for the Southern District of New York granted Lehman Brothers Special Finance Inc.'s motion for summary judgment on the basis that the effect was that the provisions infringed on the bankruptcy law rules against "ipso facto" provisions, which prevent the modification of contractual rights because of a provision conditioned on bankruptcy. Judge Peck acknowledged that this resulted in the U.S. courts coming to a decision "directly at odds with the judgment of the English Courts". While leave to appeal was granted in New York, the case was settled before an appeal was heard.

While the U.S. Bankruptcy Court rejected certain findings of the BNY decision in *Lehman Brothers Special Financing Inc. v Bank of America National Association, etc al (In re Lehman Brothers Holdings Inc.)* (case no. 10-03547 (Bankr. S.D.N.Y.)), aspects of the BNY decision remain relevant and, in particular, it continues to be the case that certain flip clauses may constitute an unenforceable *ipso facto* clause. This is an aspect of cross border insolvency law which remains unresolved. So whilst the priority issue is considered largely resolved in England and Wales, concerns still remain that the English and U.S. courts will diverge in their approach which, in the case of an unfavourable decision in the U.S., may adversely affect the Issuer's ability to make payments on the Notes.

There remains the issue whether, in respect of the foreign insolvency proceedings relating to a creditor located in a foreign jurisdiction, an English court will exercise its discretion to recognise the effects of the foreign insolvency proceedings, whether under the Cross Border Insolvency Regulations 2006 or any similar common law principles. Given the current state of U.S. law, this is likely to be an area of continued judicial uncertainty particularly in respect of multi-jurisdictional insolvencies.

If a subordination provision included in the priorities of payments as contemplated in this Transaction were successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order were recognised by the English courts, there can be no assurance that such actions would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Conflicts of interest

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

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

U.S. Bank Trustees Limited and Elavon Financial Services DAC, UK Branch are acting in a number of capacities in connection with this Transaction. Each of U.S. Bank Trustees Limited and Elavon Financial Services DAC, UK Branch will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its affiliates acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. Each of U.S. Bank Trustees Limited and Elavon Financial Services DAC, UK Branch, in its respective various capacities in connection with this Transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account therefor in connection with this Transaction.

The Servicer may hold and/or service claims against the Customers other than with respect to the Purchased Receivables. The interests or obligations of the Servicer with respect to such other claims may conflict with its interests or obligations with respect to this Transaction.

Each of the Managers may engage in commercial relationships, in particular, be a lender and provide investment banking and other financial services to the Customers and other parties. In such relationships the Managers are not obliged to take into account the interests of the Noteholders. Accordingly, conflicts of interest may arise in this Transaction.

Notes may be preplaced by the Managers with investors, who may include members of the Santander UK Group.

Noteholders have to rely on the procedures of Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Issuer

Unless Definitive Notes are issued in respect of the Notes, the Notes will be issued as Book-Entry Interests and will be represented by Global Notes held through Euroclear or Clearstream, Luxembourg, as applicable. Holders and beneficial owners of Book-Entry Interests will not be considered the legal owners or holders of the Notes under the Trust Deed and will not have a direct right to vote in respect of their Notes. Instead such holders will be permitted to act only to the extent that they are enabled by Euroclear or Clearstream, Luxembourg to appoint appropriate proxies.

The Common Safekeeper, as applicable, will be considered the registered holder of the related Global Notes and will be the sole legal holder of such Global Notes under the Trust Deed. Accordingly, each person owning a Book Entry Interest must rely on the relevant procedures of Euroclear or Clearstream, Luxembourg, as applicable, and, if such person is not a participant in such entities, on the procedures of the participant through which such person owns its interest, to exercise any right of a Noteholder under the Trust Deed. Unlike Noteholders, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by or on behalf of the Issuer for consents or requests by or on behalf of the Issuer for waivers or other actions from Noteholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg (as the case may be) and, if applicable, their participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Issuer Event of Default under the Notes, holders of Book-Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg, as applicable, unless and until Definitive Notes are issued in accordance with the relevant provisions described under Condition 1 (*Form and Denomination*). There can be no assurance that the procedures to be implemented by Euroclear or Clearstream, Luxembourg, as the case may be, under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

In addition, payments of principal and interest on, and other amounts due in respect of, the Global Notes will be made by the Principal Paying Agent to the Common Safekeeper. Upon receipt of any payment from the Principal Paying Agent, Euroclear or Clearstream, Luxembourg, as applicable, will promptly credit participants' accounts with payment in amounts proportionate to their respective ownership of Book-Entry Interests as shown on their records. The Issuer expects that payments by participants or indirect participants to owners of Book-Entry Interests held through such participants or indirect participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers registered in "street name", and will be the responsibility of such participants or indirect participants. None of the Issuer, the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, the Book-Entry Interests or for maintaining, supervising or reviewing any records relating to such Book-Entry Interests.

Transfers of the Notes will also be affected because such Notes are offered as Book-Entry Interests. Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Book-Entry Interests among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee, any Paying Agent or the Registrar or any of their agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants or account holders of their respective obligations under the rules and procedures governing their operations.

Furthermore, as described in more detail under "*Credit Aspects of the Transaction—Noteholders will be deemed to have consented to certain modifications to the Transaction Documents so long as less than 10 per cent. of the Controlling Class objects to such modifications*" above, the provisions of the Trust Deed and the Conditions relating to the convening of meetings of Noteholders and passing Extraordinary Resolutions differ from the equivalent provisions in many UK securitisations issued before the Closing Date. In particular, the Trust Deed and the Conditions provide for Extraordinary Resolutions to be deemed to be passed by negative consent in certain circumstances.

Legal Structure

Change of law

The structure of the Trust Deed, the Deed of Charge, the Receivables Sale Agreement and the other 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, Scots and Northern Irish law and administrative practice in effect as at the date of this Prospectus as they affect the Transaction Parties and the Portfolio, and having regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change of U.S., English, Scots or Northern Irish law (including any change in regulation which may occur without a change in primary legislation) or administrative practice or tax treatment after the date of this Prospectus.

Notice of assignment

The assignment by the Seller of the Purchased Receivables governed by English law will take effect in equity only because no notice of the assignment will be given to Customers unless a Notification Event occurs.

Until he or she has received a Notification Event Notice notifying it of the Seller's assignment, a Customer may effect payment to SC UK or enter into any other transaction with respect to the relevant Purchased Receivable with SC UK. Delivery of a Notification Event Notice would have the following consequences:

- notice would "perfect" the assignment, so that the Issuer would take priority over any interest of a later encumbrancer or assignee of the Seller's rights who has no notice of the assignment to the Issuer; and
- notice would mean that the Customer should no longer make payment to the Seller as creditor under the relevant Underlying Agreement but should make payment instead to the Issuer (if the Customer were to ignore a notice of assignment and pay the Seller for its own account, the Customer will still be liable to the Issuer for the amount of such payment).

In addition, until notice is given to the Customer of the assignment by the Seller to the Issuer of the Purchased Receivables and Related Collateral, equitable set-offs (such as for misrepresentation and breach of contract) may accrue in favour of the Customer in respect of the obligation to make payments under the relevant Underlying Agreement. These may therefore result in the Issuer receiving less monies than anticipated from the Purchased Receivables. The assignment of any Purchased Receivables to the Issuer will be subject both to any prior equities which have arisen in favour of the Customer before the assignment and to any equities which may arise in the Customer's favour after the assignment until (if ever) receipt of actual notice of the assignment. If a Customer claims that a right of set-off or counter-claim has arisen in his favour against the Seller and fails to pay in full all amounts due from him under the relevant Underlying Agreement, the Seller will indemnify the Issuer against the amount set-off or counter-claimed by such Customer.

Legal title to the Scottish Receivables and the Northern Irish Receivables will remain with SC UK because no formal assignation thereof duly intimated to the relevant Customers will be made unless a Notification Event shall have occurred. The legal position of the Issuer and the Seller in respect of the Scottish Receivables and the Northern Irish Receivables is substantially in accordance with that set out above in relation to the holding of an equitable or beneficial interest in relation to Purchased Receivables governed by English law. Notice to a Customer will have a broadly similar effect in relation to Scottish Receivables and Northern Irish Receivables to that described above in relation to Purchased Receivables governed by English law. The security interests granted by the Issuer in favour of the Trustee over the Issuer's interest in the Purchased Receivables include, among other things, an assignation in security of the Issuer's interest in the Scottish Receivables and the Northern Irish Receivables.

Sharing with other creditors

The proceeds of enforcement and collection of the Security created by the Issuer in favour of the Trustee (for its own account and as trustee for the other Secured Creditors) will be used in accordance with the Post-Enforcement Priority of Payments to satisfy claims of all Secured Creditors thereunder. See "*Overview of the Transaction Documents—Deed of Charge*".

Pursuant to the Post-Enforcement Priority of Payments the claims of certain Secured Creditors will rank senior to the claims of the Noteholders. To this extent, payments by the Issuer of amounts due to the Noteholders under the Transaction Documents will be made in accordance with such Post-Enforcement Priority of Payments.

English law security and insolvency considerations

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. 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 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 Trustee. However, as this is partly a question of fact, 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 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 Insolvency Act, 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 claims of unsecured creditors. 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.

While the transaction structure is designed to limit the likelihood of the Issuer becoming insolvent, there can be no assurance that the Issuer will not become insolvent and/or the subject of insolvency proceedings and/or that the Noteholders would not be adversely affected by the application of insolvency laws (including English insolvency laws).

Regulatory and Tax Risks

Consumer Credit Act 1974

A credit agreement is regulated by the Consumer Credit Act 1974 as amended (the **CCA**) in the following circumstances:

(i) for agreements made on or after 6 April 2008 and prior to 1 April 2014, where (a) the customer is or includes an “individual” as defined in the CCA (which includes certain small partnerships and certain unincorporated associations); (b) the amount of “credit” as defined in the CCA does not exceed any applicable financial limit in force when the credit agreement was made (from 6 April 2008, subject to certain transitional provisions, no applicable financial limit is in force, except a limit of £25,000 for certain changes to credit agreements); and (c) the credit agreement is not an exempt agreement under the CCA (for example, certain credit agreements for business purposes with an amount of credit exceeding £25,000 are exempt agreements); or (ii) for agreements made on or after 1 April 2014, if it is a regulated credit agreement for the purposes of Chapter 14A of Part 2 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, as amended (the **RAO**), i.e. if it involves the provision of credit of any amount by a lender to an individual or “relevant recipient of credit” (which includes certain small partnerships and certain unincorporated associations) and does not fall within any of the exemptions set out in articles 60C to 60H of the RAO (for example, certain credit agreements for business purposes with an amount of credit exceeding £25,000 are exempt agreements).

All of the Underlying Agreements are regulated by the CCA.

The main consequences of a credit agreement being regulated by the CCA are described in paragraphs (i) to (xii) below.

- (i) The creditor has to comply with authorisation (or, prior to 1 April 2014, licensing) requirements and the credit agreement must comply with origination requirements. If those requirements are not complied with in respect of a credit agreement which was made on or after 6 April 2007, then it is unenforceable against the customer: (a) without an order of the Financial Conduct Authority (the **FCA**) or the court (depending on the facts), if the lender or any broker did not hold the required licence or authorisation at the relevant time; or (b) without a court order, if other origination requirements as to pre-contract disclosure, documentation and procedures are not complied with and, in exercising its discretion whether to make the order, the court will have regard to any prejudice suffered by the customer and any culpability by the lender.
- (ii) The customer has a right to withdraw from the credit agreement (subject to certain exceptions). The customer may send notice to withdraw at any time during the 14 days starting with the day after the relevant day according to the origination procedures (i.e. the relevant day is the day on which the customer receives notice that the agreement has been executed in accordance with sections 66A(3)(c) and 61A(3) of the CCA). If the customer withdraws, then: (a) the customer is liable to repay to the lender any credit provided and the interest accrued on it; (b) the customer is not liable to pay to the lender any compensation, fees or charges except any non-returnable charges paid by the lender to a public administrative body; and (c) any insurance contract between the insurer and the customer and financed by the credit agreement on the basis of an agreement between the insurer and the lender is treated as if it had never been entered into.
- (iii) The lender is liable in certain circumstances to the customer for misrepresentation and breach of contract by a supplier in a transaction between the supplier and the customer and financed by the credit agreement. This liability arises in relation to, for example, insurance products where the lender can be liable to the customer for

misrepresentation and breach of contract by an insurer in an insurance contract between the insurer and the customer and financed by the credit agreement. The customer may set off the amount of the claim against the amount owing by the customer under the credit agreement or any other credit agreement he has taken with the lender (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.

- (iv) The lender has to comply with servicing requirements. 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, notices of default sums or default notices (although any such unenforceability may be cured prospectively by the lender remedying the breach); (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).
- (v) The customer is not liable to pay default interest (i.e. interest on sums unpaid in breach of the credit agreement) at a higher rate than the non-default interest rate or (where the non-default interest rate is 0 per cent.) at a higher rate than the annual percentage rate of the total charge for credit (the **APR**). This means that, for example, where the Underlying Agreement imposes 0 per cent. APR, then the customer is not liable to pay default interest at all.
- (vi) The customer is entitled to terminate the credit agreement, and to keep the goods financed by the credit agreement, by giving notice and paying the amount payable on early settlement. The amount payable by the customer on early settlement of the credit agreement (whether on such termination by the customer, or on termination by the lender for repudiatory breach by the customer, or otherwise) is restricted by a formula under the CCA. A more restrictive formula for early settlement of a credit agreement in full or in part applies generally to credit agreements made on or after 11 June 2010.
- (vii) The court has power to give relief to the customer. For example, the court may: (a) make a time order, giving the customer time to pay arrears or to remedy any other breach; (b) impose conditions on, or suspend, any order made by the court in relation to the credit agreement; and (c) amend the credit agreement in consequence of a term of an order made by the court under the CCA.
- (viii) The court has power to determine that the relationship between the lender and the customer arising out of the credit agreement (whether alone or with any related agreement) is unfair to the customer. This power applies both to most exempt credit agreements, as well as to regulated credit agreements. If the court makes the determination, then it may make an order, among other things, requiring the originator, or any assignee such as the Issuer, to repay any sum paid by the customer. In deciding whether to make the determination, the court is required to have regard to all matters it thinks relevant, including the lender's conduct before and after making the credit agreement, and may make the determination even after the relationship has ended. Once the customer alleges that an unfair relationship exists, then the burden of proof is on the lender to prove the contrary. In November 2014, the Supreme Court clarified in *Plevin v Paragon Personal Finance Limited* [2014] UKSC 61 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. Following this judgment, the FCA published a consultation paper in November 2015 entitled "Rules and Guidance on payment protection insurance complaints" (CP 15/39) which covered, *inter alia*, the introduction of a deadline by which consumers need to make PPI complaints or else lose their right to have them assessed by firms or the Financial Ombudsman Service (the **FOS**); an FCA led communications campaign designed to inform consumers of the deadline; and rules and guidance on how firms should handle PPI complaints fairly in the light of *Plevin*. On 2 August 2016, the FCA published feedback to the November 2015 consultation paper (CP 16/20), together with a further consultation paper on changes to the proposed rules and guidance concerning the handling of PPI complaints in light of *Plevin*. The FCA is expected to publish the results of the consultation and a policy statement containing the new rules and/or guidance by the end of December 2016. This 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. One key aspect of the FCA's proposals is a PPI complaints deadline falling two years from the date the proposed rules come into force, which, subject to the outcome of the consultation, the FCA anticipates will be by the end of June 2017, and hence PPI consumers would have until at least the end of June 2019 to make a PPI complaint. In addition, it is possible, given the breadth of the provisions as interpreted by the Supreme Court, that unfair relationship challenges may be made in connection with aspects of personal contract purchase terms. It is not possible to identify all of the potential sources of challenge but, for example, terms which require the payment of excess mileage costs might operate adversely to certain customers and could therefore, in principle, be subject to challenge.

- (ix) The regulator for consumer credit is the FCA (and before 1 April 2014 it was the Office of Fair Trading (the **OFT**)). SC UK as the Seller and the Servicer was authorised by the FCA on 9 December 2015 and holds Part 4A permissions from the FCA for its regulated activities relating to consumer credit. Prior to receiving such authorisation, SC UK held a consumer credit licence from the OFT and, subsequently, an interim permission from the FCA from 1 April 2014 to 9 December 2015. SC UK is an FCA authorised person for the purposes discussed in paragraphs (x) and (xi) below.
- (x) A customer who is a private person may be entitled to claim damages for loss suffered as a result of any contravention by an FCA authorised person of a rule under the FSMA. From 1 April 2014, such rules include rules in the FCA Consumer Credit sourcebook (**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 by the customer under the credit agreement 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.
- (xi) The FOS is an out-of-court dispute resolution scheme with jurisdiction to determine complaints against authorised persons under the FSMA relating to conduct in the course of specified regulated activities including in relation to consumer credit. The FOS is required to determine each case individually, with reference to its particular facts. Each case is first adjudicated by an adjudicator. Either party may appeal to a final decision by the FOS. The FOS is required to determine complaints by reference to what is, in its opinion, fair and reasonable in all the circumstances of the case, taking into account, among other things, law and guidance, and may order a money award to the customer. As the FOS makes its decisions based on what is fair and reasonable and good practice, rather than strictly on the basis of compliance with the law, it is not possible to predict how any future decision of the FOS would affect the Issuer's ability to make payments in full when due on the Notes.
- (xii) The Seller 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 Underlying Agreement would be unenforceable, as described above. 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. For example, where agreements are unenforceable without a court order due to minor documentary defects, lenders have historically pursued such debts as though they are simply enforceable, until such time as those defects were raised by the borrower and/or the court in any claim. However, in circumstances where such enforceability may be challenged, there is some doubt as to how a court or the FCA will interpret the relevant documentary defects and the enforcement of such debts. If a court or the FCA were to take a view that lenders are required to notify borrowers of such defects before pursuing enforcement, this would represent a significant compliance cost. It should thus be borne in mind that enforcement may be a lengthier and more costly process in future.

In addition, the main consequences of a Conditional Sale Agreement being regulated by the CCA are as described in paragraphs (xiii) to (xix) below.

- (xiii) The lender is liable to the customer for pre-contractual statements to the customer by a credit-broker, such as a dealer, in relation to goods sold or proposed to be sold by that credit-broker to the lender before forming the subject-matter of the Conditional Sale Agreement. This liability arises in relation to a Financed 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 any such pre-contractual statement is a misrepresentation or implied condition in the Conditional Sale Agreement, then the customer is entitled to claim the same types of remedies as described in "*Sale of Goods Act 1979*" below. The customer may set off the amount of any such money claim against the amount owing by the customer under the credit agreement or any other credit agreement he has taken with the lender (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.
- (xiv) When the customer is in breach of the Conditional Sale Agreement, and has paid at least one-third of the total amount payable for the goods (including any deposit), then the goods become protected goods. The lender is not entitled to repossession of protected goods without a court order or the customer's consent given at the time of repossession. If the lender recovers protected goods without such order or consent, then the Conditional Sale Agreement is totally unenforceable against the customer, and the customer is entitled to recover from the lender all sums paid by the customer under the agreement.

- (xv) The lender is not entitled to enter any premises to take possession of any goods subject to a Conditional Sale Agreement (whether protected goods or not) without a court order. In Scotland, the lender may need to obtain a court order to take possession of the goods in any event.
- (xvi) The customer is entitled to terminate the Conditional Sale Agreement before final payment by giving notice, where he wishes to return the goods. On such termination, the customer is liable to surrender possession of the goods and pay the amount (if any) payable on voluntary termination. The amount payable by the customer on voluntary termination is restricted under the CCA to the amount (if any) required to bring the sum of all payments made and to be made by the customer for the goods up to one-half of the total amount payable for the goods (including any deposit). The customer must pay all arrears for the goods and compensation for any breach of duty to take reasonable care of the goods. Customers may take advantage of the right of voluntary termination when they are in financial difficulty, or when the residual value of the Financed Vehicle on part-exchange is less than the amount that would be payable on early settlement.
- (xvii) Court decisions have disagreed as to 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 Underlying Agreements provide that the amount payable by the Customer on termination by the Seller is the outstanding balance of the total amount payable under the Underlying Agreement, less any statutory rebate for early settlement and (unless the Seller elects to transfer ownership of the Financed Vehicle to the Customer under certain Underlying Agreements) less any net proceeds of sale or the estimated value of the Financed Vehicle. Thus the Underlying Agreements reflect those court decisions favourable to the lender on this point.
- (xviii) The court has power to give additional relief to the customer. For example, the court may: (a) make a time order giving the customer time to pay future repayments; and (b) suspend a return order for the return of the goods to the lender until breach by the customer of a time order or until further court order.
- (xix) A disposition of the vehicle by the Customer to a *bona fide* private purchaser without notice of the conditional sale agreement will transfer to the purchaser the Seller's title to the Financed Vehicle.

Sale of Goods Act 1979

The Sale of Goods Act 1979 as amended (the **SGA**) applies to all conditional sale agreements entered into prior to 1 October 2015 (the **CRA Commencement Date**) and business-to-business conditional sale agreements (regardless of when they were entered into). For business-to-consumer conditional sale agreements entered into on or after the CRA Commencement Date, the Consumer Rights Act 2015 (the **Consumer Rights Act**) applies (see "*Consumer Rights Act 2015*" below).

Where the SGA applies, it provides that a contract for sale of goods contains implied terms as to title, description and quality or fitness of the goods. The Unfair Contract Terms Act 1977 (**UCTA**) provides that: (a) the implied term as to title cannot be excluded by any contract term; and (b) the implied terms as to description and quality or fitness cannot be excluded in a business-to-consumer contract, and can be excluded only in so far as reasonable in a business-to-business contract.

If any goods subject to a conditional sale agreement governed by English law are in breach of any term implied by the SGA, then the Customer is entitled to rescind the contract and return the goods, and to treat the contract as repudiated by the lender and accept such repudiation by notice, and is not liable to make any 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. Alternatively, the Customer may elect to affirm the contract and keep the goods and claim damages, which then include the difference in value of the goods had they complied with the implied term and their true value. The Customer will not lose his right to rescind the contract and return the goods for any breach of which he is unaware, such as latent defects, or defects which a consumer has had no reasonable opportunity to discover.

If there is a material breach of any term (express or implied) of a conditional sale agreement governed by Scots law, then the Customer is entitled to reject the goods and to treat the contract as repudiated by the lender and also to claim damages. Where the breach is not material, the Customer is not entitled to reject the goods but may claim damages. These provisions will not affect any other rights the Customer may have under the relevant agreement.

The Customer may set off the amount of any money claim for breach of any term implied by the SGA against the amount owed by the Customer under the credit agreement or any other credit agreement he has taken with the lender (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.

The operating agreement entered into with each Dealer provides that the dealer will indemnify the Seller for certain breaches by the dealer, including the Financed Vehicle being in breach of certain terms implied by statute. The Seller has sold any such claims against the dealers to the Issuer. No assurance can be given, however, that the indemnity will cover all or any loss incurred by the Seller as a result of breach by the dealer, including as a result of any Financed Vehicle being in breach of any term implied by the SGA, or that the dealer would have the means to pay the indemnity.

Unfair Terms in Consumer Contracts Regulations 1999

The Unfair Terms in Consumer Contracts Regulations 1999, as amended (the **UTCCR**), apply to business-to-consumer contracts entered into prior to the CRA Commencement Date only. For business-to-consumer contracts entered into on or after the CRA Commencement Date, the Consumer Rights Act applies (see “*Consumer Rights Act 2015*” below).

Where the UTCCR apply, they render unenforceable unfair terms in business-to-consumer contracts (subject to certain exceptions). The UTCCR provide that: (a) a consumer may challenge a standard term in a contract on the basis that it is unfair and not binding on the consumer (although the rest of the contract continues to bind the parties if it is capable of continuing in existence without the unfair term); and (b) the FCA and any qualifying body (such as local trading standards authorities) may seek to enjoin (or in Scotland interdict) a business from relying on unfair terms.

The UTCCR do not generally affect terms that define the main subject matter of the contract or price terms, such as the consumer’s obligation to repay the fixed monthly repayments (provided that these terms are written in plain, intelligible language and are drawn adequately to the consumer’s attention), but may affect terms that are not considered to define the main subject matter of the contract or to be price terms, such as terms imposing default fees.

For example, if a term permitting the lender to impose a default fee (as the Seller is permitted to do) is found to be unfair, then the consumer is not liable to pay the default fee or, to the extent that he or she has paid it, he or she may claim against the originator, or any assignee (such as the Issuer), repayment of the amount of the default fee paid, or may set off the amount of the claim against the amount owing by the consumer under the credit agreement or any other credit agreement he or she has taken out with the lender (or exercise analogous rights in Scotland or Northern Ireland). Any such non-recovery, claim or set-off may adversely affect the Issuer’s ability to make payments in full when due on the Notes.

Before 1 April 2014, the OFT addressed unfair terms in issuing licences and guidance under the CCA and in issuing guidance under the UTCCR. For example, in the context of the investigation by the OFT into credit card default fees, the OFT on 5 April 2006 issued a statement of its view of the principles that credit card issuers should follow in setting default fees, and that the principles were likely to apply to analogous default fees in other contracts. The principles were in essence that terms imposing default fees should not have the object of raising more in revenue than would be reasonably expected to be necessary to recover certain limited administrative costs incurred as a result of the consumer’s default. This guidance now forms part of CONC, specifically CONC 7.7.5R, which provides that “a firm must not impose charges on Customers in default or arrears difficulties unless the charges are no higher than necessary to cover the reasonable costs of the firm”.

On 1 April 2014, the OFT ceased to exist and its enforcement powers in relation to unfair terms in consumer contracts transferred to the Competition and Markets Authority (**CMA**). Additionally, the OFT’s responsibilities for consumer credit, including enforcement of the UTCCR, transferred to the FCA (which also has responsibility for enforcement of the UTCCR in relation to financial services contracts for other regulated activities). The CMA and FCA concurrently supervise unfair terms under the UTCCRs and the CRA. There is a Memorandum of Understanding dated 12 January 2016 that outlines the nature of this arrangement. Importantly, the Memorandum of Understanding clarifies that it is the FCA’s responsibility to consider fairness within the meaning of the CRA and UTCCRs in financial services contracts entered into by authorised firms or appointed representatives and take action where appropriate.

As noted above, on 1 April 2014, the OFT’s responsibilities for consumer credit, including enforcement of the UTCCR, transferred to the FCA and the OFT ceased to exist. Therefore, guidance issued by the FCA from 1 April 2014 in relation to the UTCCR, as well as guidance previously issued by the OFT and the FSA, may apply to the Underlying Agreements. It should be noted, however, that this guidance has changed over time and on 2 March 2015 the FCA removed certain guidance and other material on the UTCCR from its website stating they no longer reflected the FCA’s current views on unfair contract terms pending new guidance on the Consumer Rights Bill (which was passing through the UK Parliament at the time (see “*Consumer Rights Act 2015*” below)) and in light of wider legal developments. In May 2016, the FCA removed further guidance from its website. The FCA has not indicated how it considered the material it has removed to be inconsistent with its current views, but it has confirmed that it does not intend to issue further guidance on unfair contract terms. In January 2016, the FCA website was updated to refer to the CMA’s guidance consultation as the latest development in guidance on unfair contract terms, and this guidance makes it clear that the Consumer Rights Act generally carries forward rather than changes the substance of the protections provided to consumers under earlier legislation and guidance. As such, even with the changes in regulatory structure in the UK that

came into effect on 1 April 2013, in respect of the Underlying Agreements originated before the CRA Commencement Date, the guidance issued by the FSA previously remains the most specific and relevant guidance on this topic; this is likely to continue to be the case as the FCA has confirmed that it does not intend to issue further guidance on unfair contract terms.

The CMA is the UK's national competition and consumer authority, which took over the role of principal enforcer of the UTCCR from the OFT in relation to unfair contract terms on 1 April 2014. On 26 January 2015, the CMA published a guidance consultation on the unfair contract terms provisions in the Consumer Rights Bill (which has been enacted as the Consumer Rights Act). These guidelines, which were finalised as of 31 July 2015 (reference CMA37), are intended to support the Consumer Rights Act. The Consumer Rights Act consolidates and repeals the UTCCR and parts of the UCTA (see "*Consumer Rights Act 2015*" below). However, as noted above, despite its revocation, the UTCCR will continue to apply to contracts entered into prior to the CRA Commencement Date.

The Unfair Contract Terms Regulatory Guide (UNFCOG) in the FCA Handbook explains the FCA's policy on how it uses its formal powers under the UTCCR, although comprehensive guidance on the UTCCR themselves is not provided. The UNFCOG was updated on 1 October 2015, following the coming into force of the Consumer Rights Act, but the updated version (the Unfair Contract Terms and Consumer Notices Regulatory Guide) applies only to contracts entered into on or after the CRA Commencement Date. The UNFCOG (in the form it was in on 30 September 2015) continues to apply to contracts entered into before the CRA Commencement Date.

The broad and general wording of the UTCCR, and the equivalent provisions of the Consumer Rights Act (as discussed herein), 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 any Underlying Agreements made with consumers may contain unfair terms, which may result in the possible unenforceability of those unfair terms. No assurance can be given that any regulatory action or guidance in respect of the UTCCR and the Consumer Rights Act will not have a material adverse effect on the Underlying Agreements and accordingly on the Issuer's ability to make payments in full when due on the Notes.

Consumer Rights Act 2015

The Consumer Rights Act reformed and consolidated consumer protection law in the UK. The Consumer Rights Act involves the creation of a single regime for unfair contract terms, replacing the UCTA (which essentially deals with attempts to limit liability for breach of contract) and the UTCCR. On the CRA Commencement Date, certain sections of the Consumer Rights Act revoked the UTCCR, amended the SGA (such that much of the SGA no longer applies to business-to-consumer contracts) and introduced a new regime for dealing with unfair contractual terms with respect to contracts entered into on or after the CRA Commencement Date. The SGA and UTCCR will continue to apply to contracts entered into prior to the CRA Commencement Date as described above.

Under Part 2 of the Consumer Rights Act an unfair term of a consumer contract (a contract between a trader and a consumer) is not binding on a consumer (a term which has been revised to mean an individual acting for purposes that are wholly or mainly outside that individual's trade, business, craft or profession). In an additional change from the old regime, from the CRA Commencement Date, an unfair consumer notice will also not be binding on a consumer, although a consumer may rely on the term or notice if the consumer chooses to do so. A term will be unfair where, contrary to the requirement of good faith, it causes significant imbalance in the parties' rights and obligations under the contract to the detriment of the consumer. In determining whether a term is fair it is necessary to: (i) take into account the nature of the subject matter of the contract; (ii) refer to all the circumstances existing when the term was agreed; and (iii) refer to all of the other terms of the contract or any other contract on which it depends. The Consumer Rights Act also applies substantially the same test of fairness to consumer notices and generally refers to term and notices interchangeably.

Schedule 2 contains an indicative and non-exhaustive "grey list" of terms of consumer contracts that may be regarded as unfair. Three of these "grey list" terms are new, having not been covered by the UTCCR. Notably, paragraph 11 lists "a term which has the object or effect of enabling the trader to alter the terms of the contract unilaterally without a valid reason which is specified in the contract". However, paragraph 22 provides that this does not include a term by which a supplier of financial services reserves the right to alter the rate of interest payable by or due to the consumer, or the amount of other charges for financial services without notice where there is a valid reason if the supplier is required to inform the consumer of the alteration at the earliest opportunity and the consumer is free to dissolve the contract immediately.

A consumer contract may not be assessed for fairness to the extent that (i) it specifies the main subject matter of the contract; and/or (ii) the assessment is of the appropriateness of the price payable under the contract by comparison with the goods, digital content or services supplied under it; unless it appears on the "grey list" referenced above. A trader must ensure that a written term of a consumer contract, or a consumer notice in writing, is transparent i.e. that it is expressed in plain and intelligible language and is legible. Where a term of a consumer contract is "unfair" it will not

bind the consumer. Under the Consumer Rights Act, a trader must also ensure that the term is sufficiently prominent. The CMA considers this to be fully consistent with an interpretation of ‘the core exemption’ as intended to ensure that only those ‘principal obligations’ or price terms which are subject to the correcting forces of competition and genuine decision-making are fully assessable for fairness. However, the remainder of the contract, will, so far as practicable, continue to have effect in every other respect.

Where a term of a consumer contract is “unfair”, it will not bind the consumer. However, the remainder of the contract will, so far as practicable, continue to have effect in every other respect. Where a term in a consumer contract is susceptible of multiple different meanings, the meaning most favourable to the consumer will prevail. In a shift from the old regime, under the Consumer Rights Act it is the duty of the court to consider the fairness of any given term. This can be done even where neither of the parties to proceedings has explicitly raised the issue of fairness.

The Consumer Rights Act also provides that business-to-consumer conditional sale agreements contain implied terms as to title, description and quality or fitness of the goods. The Consumer Rights Act further provides that (a) the implied term as to title and (b) the implied terms as to description and quality or fitness cannot be excluded by any contract term. This is broadly the same as the position for business-to-business contracts under the SGA outlined above (see “*Sale of Goods Act 1979*”).

The provisions in the Consumer Rights Act governing unfair contractual terms and implied terms as to title, description and quality or fitness of the goods apply in respect of contracts entered into on or after the CRA Commencement Date. As stated above, the SGA, UCTA and UTCCR will continue to apply to contracts entered into prior to the CRA Commencement Date. This new regime does not seem to be significantly different from the regime under the UTCCR, UCTA or the SGA. However, this area of law is rapidly developing and new regulatory guidance and case law as a result of this new legislation can be expected. No assurance can be given that any changes in legislation, guidance or case law on unfair terms or implied terms as to title, description and quality or fitness of the goods will not have a material adverse effect on the Underlying Agreements and accordingly on the Issuer’s ability to make payments in full when due on the Notes.

Consumer Protection from Unfair Trading Regulations 2008

The Consumer Protection from Unfair Trading Regulations 2008 (the **UTR**) prohibit unfair, aggressive and misleading business-to-consumer commercial practices before, during and after a consumer contract is made. The UTR do not currently give any claim, defence or right of set-off to an individual consumer. Breach of the UTR does not (of itself) render an agreement void or unenforceable, but the possible liabilities for misrepresentation or breach of contract in relation to agreements may result in irrecoverable losses on amounts to which such agreements apply. The Consumer Protection (Amendment) Regulations 2014 amended the UTR (with effect from 1 October 2014) so as to give consumers a right to redress for certain prohibited practices, including a right to unwind agreements.

The UTR require the CMA (prior to 1 April 2014, the OFT) and local trading standards authorities to enforce the UTR by prosecution or by seeking an enforcement order to prevent a business from carrying on unfair practices. In addition, the FCA (or, prior to 1 April 2014, the OFT) addresses unfair practices in its regulation of consumer finance. The European Commission launched a consultation in May 2016 asking for views on the EU consumer and marketing rules, which may result in changes to the UTR. No assurance can be given that any regulatory action, guidance in respect of the UTR or any changes to the UTR will not have a material adverse effect on the Underlying Agreements and accordingly on the Issuer’s ability to make payments in full when due on the Notes.

Financial Services Act 2012

The Financial Services Act 2012 contains provisions enabling the transfer of consumer credit regulation from the OFT to the FCA. The related secondary legislation was enacted in 2013 to 2014 and the transfer occurred on 1 April 2014. Pursuant to changes made to FSMA by the Financial Services Act 2012: (a) carrying on certain credit-related regulated activities (including in relation to servicing) otherwise than in accordance with permission from the FCA will render the credit agreement unenforceable without FCA approval; and (b) the FCA has the power to render unenforceable contracts made in contravention of its rules on cost and duration of credit agreements or in contravention of its product intervention rules. This Act also provides for formalised cooperation to exist between the FCA and the FOS, particularly where issues identified potentially have wider implications, with a view to the FCA requiring affected firms to operate consumer redress schemes.

General

No assurance can be given that changes will not be made to the regulatory regime and developments described above in respect of the vehicle finance market in the United Kingdom generally, the Seller’s particular sector in that market or specifically in relation to the Seller. Any such action or developments, in particular, but not limited to, the cost of

compliance, may have a material adverse effect on the Seller, the Issuer and/or the Servicer and their respective businesses and operations. This may adversely affect the Issuer's ability to make payments in full when due on the Notes.

Securitisation Company Regulations

The Taxation of Securitisation Companies Regulations 2006 (the **TSC Regulations**) deal with the corporation tax position of securitisation companies with effect for accounting periods beginning on or after 1 January 2007. 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 (rather than by reference to its accounts). Based on advice received, the Issuer expects to be taxed under the special tax regime for which provision is made by the TSC Regulations. However, should the Issuer not fall within this special tax regime (or subsequently cease to fall into it), then profits or losses could arise in the Issuer which could have tax effects not contemplated in the cashflows of the Transaction described in this Prospectus and as such could adversely affect the tax treatment of the Issuer and consequently the Issuer's ability to make payments on the Notes.

No gross-up for taxes

As provided in Condition 10 (*Taxes*), if withholding or deduction for or on account of any current or future taxes, levies or governmental charges, regardless of their nature (collectively, **taxes**), are imposed, levied or collected under any applicable system of law or in any country which claims fiscal jurisdiction or by, or for the account of, any political subdivision thereof or government agency therein authorised to levy taxes, and such withholding or deduction is required by law, the Issuer or the applicable Paying Agent (as the case may be) will make the required withholding or deduction of such taxes and shall account for the deduction or withholding of such taxes to the competent government agencies, and none of the Issuer, any Paying Agent or any other person would be obliged to pay any additional amounts to Noteholders in respect of such withholding or deduction. The Issuer and Paying Agents are also permitted to withhold or deduct any amounts required pursuant to FATCA, as described in more detail under "*Foreign Account Tax Compliance Act*", and none of the Issuer, any Paying Agent or any other person will be obliged to pay any additional or further amounts as a result of any such withholding or deduction.

See "*United Kingdom Taxation*" and "*Foreign Account Tax Compliance Act*" for a summary of the UK and US withholding tax treatment as at the date hereof of the principal and interest paid in respect of the Notes.

EU financial transaction tax

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the **Commission's proposal**) for a financial transaction tax (**FTT**) to be adopted in certain participating EU Member States (including Belgium, Germany, Estonia (although Estonia has since stated that it will not participate), Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia). If the Commission's proposal were to be adopted, the FTT would be a tax primarily on "financial institutions" (which would include the Issuer) in relation to "financial transactions" (which would include the purchase and sale of financial instruments) and could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the financial transaction is issued in a participating Member State.

The FTT may give rise to tax liabilities for the Issuer with respect to certain transactions if the FTT is adopted based on the Commission's proposal and the conditions for a charge to arise are satisfied. Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Notes and may result in investors receiving less interest or principal than expected. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (including secondary market transactions). Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 (such as the issuance of and subscription for the Notes) are expected to be exempt.

The FTT proposal remains subject to negotiation between the participating Member States and may therefore be altered prior to any eventual implementation, the timing of which remains unclear. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect 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 a raft of measures for increased regulation which are currently at various stages of

implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or 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 none of the Issuer, the Managers nor any other party to the Transaction Documents nor any of their affiliates makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment in the Notes on the Closing Date or at any time in the future.

In particular, investors should be aware of the EU risk retention and due diligence requirements which currently apply, or are expected to apply in the future, in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings and UCITS funds. Among other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator, and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the notes acquired by the relevant investor.

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear.

The risk retention and due diligence requirements described above apply, or are expected to apply, in respect of the Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. With respect to the commitment of the Seller to retain a material net economic interest in the securitisation and with respect to the information to be made available by the Issuer or another relevant party (or, after the Closing Date, by the Seller in its capacity as the Servicer or by the Cash Administrator on the Issuer's behalf), please see the statements set out in the sections entitled "*Risk Retention Requirements*" and "*Subscription and Sale*". Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Managers or any other Transaction Party makes any representation that the information described above is sufficient in all circumstances for such purposes.

It should also be noted that the European Commission has published legislative proposals for two new regulations related to securitisation. Amongst other things, the proposals include provisions intended to implement the revised securitisation framework developed by the Basel Committee on Banking Supervision (the **Basel Committee**) and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors. There are material differences between the legislative proposals and the current requirements. It is not clear whether, and in what form, the legislative proposals (and any corresponding technical standards) will be adopted. In addition, the compliance position under any adopted revised requirements of transactions entered into prior to adoption, and of activities undertaken by a party (including an investor) in respect of such transactions, is uncertain.

Prospective investors should therefore 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 EU risk retention and due diligence requirements 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.

Regulatory changes under the Dodd-Frank Act may affect the liquidity of the Notes

The Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted 21 July 2010 (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. This legislation, among other things: (a) increases oversight of credit rating agencies; and (b) requires the SEC to promulgate rules generally prohibiting firms from underwriting or sponsoring a securitisation that would result in a material conflict of interest with respect to investors in that securitisation. Once fully implemented, the Dodd-Frank Act and the regulations promulgated thereunder could materially impact SC UK and its affiliates' business and profitability; provisions under the Dodd-Frank Act could expose SC UK and its affiliates to the necessity to divest, restructure or modify existing business lines or divisions and they could result in additional costs or higher margin posting requirements.

In addition to the regulations referred to above affecting the financial services industry generally, 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. SC UK and its affiliates may face additional regulatory and economic burdens on its activities due to the implementation of Section 619 of the Dodd-Frank Act that are referred to as the “Volcker Rule”, which prohibits proprietary trading, other than for certain risk-mitigation activities, and limits the sponsorship of, and investment in, hedge funds and private equity funds by banking entities if such activities have any nexus to the U.S. The final rules implementing the Volcker Rule have been adopted and became effective on 21 July 2015.

The full spectrum of risks posed to institutions like SC UK and its affiliates as a result of the Dodd-Frank Act and rules promulgated thereunder is not yet known. Investors should be aware, however, that such risks are material and that SC UK and its affiliates (and, therefore, the Issuer) could be materially and adversely affected thereby. As such, investors should consult their own independent advisers and make their own assessment about the potential risks posed by the Dodd-Frank Act and rules promulgated thereunder in making any investment decision in respect of the Notes.

Exercise of Regulatory Change Event Call Option

Throughout the life of the Notes, the Seller or its Parent may be at risk from a change of law or regulation which has a material adverse on the rate of return on capital of the Seller and/or its Parent or which materially increases the cost or materially reduces the benefit to the Seller or its Parent of the transactions contemplated by the Transaction Documents.

If a Regulatory Change Event occurs, the Seller may, pursuant to the Receivables Sale Agreement, opt to repurchase all of the outstanding Purchased Receivables (together with any Related Collateral) at the Repurchase Price. If the Seller exercises the Regulatory Change Event Call Option, the Issuer shall redeem the Notes in full in accordance with Condition 7.3 (*Redemption—Early Redemption*), subject to there being sufficient proceeds from the Repurchase Price to redeem the Notes in full and to pay all amounts ranking prior thereto in accordance with the Pre-Enforcement Priority of Payments.

The Seller is under no obligation to repurchase all outstanding Purchased Receivables following a Regulatory Change Event and, as such, no assurance can be given that, following a Regulatory Change Event, the Issuer will redeem the Notes in full.

Risks relating to the Banking Act 2009

Under the Banking Act 2009 (as amended), the UK authorities have a variety of powers to deal with the failure (or likely failure) of certain UK authorised and established entities including deposit-taking institutions and investment firms and powers to take certain resolution actions in respect of EEA and third country institutions. Relevant transaction parties for these purposes include the Account Bank and the Transaction Account Bank. The tools available under the Banking Act may be used in respect of relevant institutions and, in certain circumstances, their UK established banking group companies (such as the Seller, as a wholly owned subsidiary of Santander UK plc). Such tools 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.

If an instrument or order were to be made under the Banking Act 2009 in respect of a relevant entity as described above, such instrument or order may (among 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 would 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 Purchased 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 and may result in a change in the contractual terms applicable to the Notes without the consent of the Noteholders.

As noted above, specified stabilisation tools (including the property transfer powers and the bail-in powers) may be used in respect of “banking group companies”, provided certain conditions are met. If the Issuer were regarded to be a banking group company and no exclusion applied, it would be possible for the relevant authorities to exercise their powers in relation to the Issuer, 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. However, in this regard, it should be noted that HM Treasury has provided an exclusion for certain securitisation companies, which is expected to apply to the Issuer.

At present, the UK authorities have not made an instrument or order under the Banking Act in respect of any of the entities referred to above and there has been no indication that any such instrument or order will be made, but there can be no assurance that this will not change and/or that Noteholders will not be adversely affected by any such instrument or order if made. While there is provision for compensation in certain circumstances under the Act, there can be no assurance that Noteholders would recover compensation promptly and equal to any loss actually incurred.

Implementation of, and/or changes to, the prudential regulatory framework applicable to certain financial institutions may affect the capital requirements and/or the liquidity associated with a holding of the Notes for certain investors

The Basel Committee approved significant changes to the international prudential regulatory framework for banks (such changes being commonly referred to as **Basel III**). In particular, Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio “backstop”.

Basel III was implemented in the European Economic Area (the **EEA**) through a regulation (the Capital Requirements Regulation (the **CRR**)) and an associated directive (the Capital Requirements Directive (the **CRD**)) (together, **CRD IV**). The CRR established a single set of harmonised prudential rules which apply directly to all credit institutions in the EEA, with the CRD containing less prescriptive provisions to be transposed into national law. Full implementation began from 1 January 2014, with particular elements being phased in over a period of time, to be fully effective by 2024.

Basel III also provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio “backstop” for financial institutions and certain minimum liquidity standards (referred to as the **Liquidity Coverage Ratio** and the **Net Stable Funding Ratio**). Implementation of Basel III requires national legislation and therefore the final rules and the timetable for its implementation in each jurisdiction may be subject to some level of national variation. In the UK, the PRA has stated that it will apply a further transition by imposing an 80 per cent. requirement for the Liquidity Coverage Ratio from 1 October 2015, rising to 90 per cent. on 1 January 2017. The Net Stable Funding Ratio is expected to apply from 1 January 2018 although the decision on how and when to implement the Net Stable Funding Ratio has not yet been made.

From 1 January 2016, a new prudential regulatory regime has applied to insurers and reinsurers in the EU, as a result of the implementation of the Solvency II Directive. Under the new regime, such firms are required to meet new capital requirements, consisting of a minimum capital requirement (**MCR**) and a solvency capital requirement (**SCR**). The calculation of the SCR requires the application of various adjustments to take account of a firm’s risk profile, including stress testing of the firm’s assets to determine the level of capital charge applicable to particular asset types. As a result, certain asset types attract a higher capital charge than others.

Implementation of the Basel III and/or Solvency II framework (to the extent not already implemented in the relevant jurisdictions) and/or any further changes put forward by the Basel Committee, European or national regulators in relation to such framework may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow such framework and, as a result, they may affect the liquidity and/or value of the Notes.

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

Fixed charges may take effect under English law as floating charges

The law in England and Wales relating to characterisation of fixed charges is unsettled. The fixed charges purported to be granted by the Issuer may take effect under English law as floating charges only, if, for example, it is determined that the Trustee does not exert sufficient control over the Issuer’s rights, assets, property interest and claims subject to the Security (although it should be noted that there is no equivalent concept of recharacterisation of fixed security as floating charges 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 Trustee in respect of the floating charge assets.

The interest of the Trustee in property and assets over which there is a floating charge will rank behind the expenses of any administration or liquidation and the claims of certain preferential creditors on enforcement of the Security. Section 176A of the Insolvency Act requires a prescribed part (up to a maximum amount of £600,000) of the floating charge realisations available for distribution to be set aside to satisfy the claims of unsecured creditors. This means that the expenses of any administration or liquidation, 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.

Liquidation expenses

Prior to the House of Lords' decision in the case of *Buchler v Talbot; Re Leyland Daf Limited* [2004] UKHL 9 (**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 charge holders' 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, 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 will be payable out of floating charge assets in priority to the claims of the floating chargeholder. 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 chargeholder (or, in certain circumstances, the court) pursuant to rules 4.218A to 4.218E of the Insolvency Rules 1986. 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 (which would otherwise be available to satisfy the claims of the Secured Creditors under the Deed of Charge) would be reduced by the amount of all, or a significant proportion of, any liquidation expenses.

RISK RETENTION REQUIREMENTS

Capital Requirements Regulation

Please refer to the section entitled “*Risk Factors—Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes*” for further information on the implications of the CRR risk retention requirements for investors.

Retention statement

The Seller, in its capacity as originator, will retain a material net economic interest (the **Retained Interest**) of not less than 5 per cent. in the securitisation in accordance with the text of Article 405 of Regulation (EU) No 575/2013 (the **Capital Requirements Regulation**), Article 51 of Regulation (EU) No 231/2013 (the **AIFM Regulation**) and Article 254 of Regulation (EU) 2015/35 (the **Solvency II Regulation**) (which, in each case, does not take into account any corresponding national measures). As at the Closing Date and on each Further Purchase Date, such interest will be comprised of randomly selected Receivables (the **Retained Receivables**) such that, on the Closing Date and each Further Purchase Date (as applicable), the aggregate principal balance of such interest shall be equal to at least 5 per cent. of the principal balance of the Purchased Receivables as contemplated by the text of each of Article 405 of the CRR, Article 51 of the AIFM Regulation and Article 254 of the Solvency II Regulation. The pool of Retained Receivables will be randomly selected and retained by the Seller on the Closing Date and on each Further Purchase Date as set out in the section titled “—*Retained Receivables Pool*”. The Seller will undertake not to hedge, sell or in any other way mitigate its credit risk in relation to such retained exposures. The principal balance of the Retained Receivables may be reduced over time by, amongst other things, amortisation or defaults on the underlying Receivables. Any change to the manner in which such interest is held will be notified to Noteholders in accordance with the Conditions.

As to the information made available to prospective investors by the Issuer, reference is made to the information set out herein and forming part of this Prospectus and, after the Closing Date, to the Monthly Reports. In such Monthly Reports, relevant information with regard to the Purchased Receivables will be disclosed publicly together with an overview of the retention and/or any changes in the method of retention of the material net economic interest by the Seller.

Investors to assess compliance

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with each of Part Five of the Capital Requirements Regulation (including Article 405), Section Five of Chapter III of the AIFM Regulation (including Article 51) and the Solvency II Regulation (including Article 254) and any corresponding national measures which may be relevant and none of the Issuer, the Managers or any other Transaction Party makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes.

Retained Receivables Pool

The Seller has randomly selected the Retained Receivables using the following methodology:

- as at the Cut-Off Date, any Receivables failing to meet the Eligibility Criteria or which have been repaid were excluded;
- Receivables with an aggregate principal balance representing 5 per cent. of the aggregate principal balance of the Initial Portfolio were randomly selected to be retained on balance sheet by the Seller; and
- the Retained Receivables will be identified on the Seller’s internal systems and records to ensure that they are not selected for any subsequent securitisations nor benefit from any form of hedging or credit mitigation.

The Seller has undertaken to randomly select Retained Receivables (to form part of the Retained Interest) with respect to each Further Purchase Date following the same methodology (including the random exclusion (if necessary) of Receivables which would otherwise cause a breach of any Concentration Limit). For the avoidance of doubt, after the random selection of Retained Receivables on any Further Purchase Date, the total Retained Interest of the Seller shall be at least 5 per cent. of the aggregate principal balance of all the Purchased Receivables in the Portfolio on the relevant Further Purchase Date (including previously purchased Receivables).

INFORMATION REGARDING THE POLICIES AND PROCEDURES OF THE SELLER

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

- (a) criteria for the granting of credit and the process for approving, amending, renewing and re-financing credits, as to which please see the information set out earlier in this section of this Prospectus headed "Eligibility Criteria" and "Overview of the Transaction Documents – Servicing Agreement";
- (b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures, as to which we note that the Portfolio will be serviced in line with the usual servicing procedures of the Seller – please see further the section of this Prospectus headed "Overview of the Transaction Documents – Servicing Agreement";
- (c) adequate diversification of credit portfolios given the Seller's target market and overall credit strategy, as to which, in relation to the Portfolio, please see the section of this Prospectus headed "Characteristics of the Portfolio"; and
- (d) policies and procedures in relation to risk tolerance and provisioning, as to which please see further the section of this Prospectus headed - "Overview of the Transaction Documents – Servicing Agreement" and the section of this Prospectus headed "Eligibility Criteria".

TRIGGERS TABLES

Rating Triggers Table

Account Bank	
<p>If at any time the Account Bank is assigned a rating of less than: (i) in the case of S&P, either (a) a long-term rating of A and a short-term rating of A-1 or (b) if the Account Bank does not have a long-term rating from S&P, a short-term rating of A-1 (or such other ratings as may be agreed with, or are consistent, in each case, with the then published criteria of, S&P), or (ii) in the case of Moody's, a short-term deposit rating of P-1 (or such other ratings as may be agreed with, or are consistent with the then published criteria of, Moody's) (the Account Bank Required Ratings) or if all of the ratings from either such Rating Agency have been withdrawn.</p>	<p>The Account Bank (on behalf and at the cost of the Issuer) will (A) be required within 31 calendar days to transfer the Sterling Account to an alternative bank consented to by the Trustee (which consent shall not be unreasonably withheld or delayed) with at least the Account Bank Required Ratings (at no cost to the Cash Administrator, the Account Bank or the Trustee), or (B) take such other actions (to the extent possible) as are reasonably required by the Rating Agencies to ensure that the ratings assigned to the Notes are not adversely affected by the Account Bank's failure to meet the Account Bank Required Ratings.</p>
Transaction Account Bank	
<p>If at any time the Transaction Account Bank is assigned a rating of less than: (i) in the case of S&P, either (a) a long-term rating of A and a short-term rating of A-1 or (b) if the Transaction Account Bank does not have a long-term rating from S&P, a short-term rating of A-1 (or such other ratings as may be agreed with, or are consistent, in each case, with the then published criteria of, S&P), or (ii) in the case of Moody's, a short-term deposit rating of P-1 (or such other ratings as may be agreed with, or are consistent with the then published criteria of, Moody's) (the Transaction Account Bank Required Ratings) or if all of the ratings from either such Rating Agency have been withdrawn.</p>	<p>The Transaction Account Bank (on behalf and at the cost of the Issuer) will (A) be required within 31 calendar days to transfer the Transaction Account (including, for the avoidance of doubt, the Liquidity Reserve Ledger) to an alternative bank consented to by the Trustee (which consent shall not be unreasonably withheld or delayed) with at least the Transaction Account Bank Required Ratings (at no cost to the Cash Administrator, the Transaction Account Bank or the Trustee), or (B) take such other actions (to the extent possible) as are reasonably required by the Rating Agencies to ensure that the ratings assigned to the Notes are not adversely affected by the Transaction Account Bank's failure to meet the Transaction Account Bank Required Ratings.</p>

Non-Rating Triggers Table

Nature of Trigger:	Description of Trigger:	Contractual requirements upon the occurrence of the following triggers:
Issuer Event of Default	<p>The occurrence of any of the following:</p> <ul style="list-style-type: none"> (i) the Issuer is deemed unable to pay its debts within the meaning of section 123(1)(b), (c) or (d) of the Insolvency Act (as that section may be amended) or becomes unable to pay its debts as they fall due or the Issuer is wound up (except for a voluntary winding-up by its shareholders) or an order is made or an effective resolution is passed for the winding-up of the Issuer or the Issuer initiates or consents or otherwise becomes subject to liquidation, examinership, insolvency, reorganisation or similar proceedings under any applicable law; (ii) the Issuer (a) defaults in the payment of any Interest Amount due on the Notes of the Controlling Class when the same becomes due and payable to the Principal Paying Agent on any Payment Date and such default continues for a period of five Business Days or more or (b) defaults on the payment of any principal due in respect of any Notes of the Controlling Class when the same becomes due and payable to the Principal Paying Agent and such default continues for a period of five Business Days or more; (iii) the Issuer fails to perform or comply with any one or more of its other obligations (other than a failure to perform or comply with obligations which failure, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders of any Class) and (except where such failure is not capable of remedy, when no such notice as is hereinafter referred to will be required) such failure continues for more than 30 calendar days (or such longer period as the Trustee at the direction of the Controlling Class (acting by Extraordinary Resolution) may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or (iv) a distress, execution, attachment, diligence or other legal process is levied or enforced upon or sued out against all or any substantial part of the assets of the Issuer and is, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders of any Class, and not discharged or does not otherwise cease to apply within 30 calendar days of being levied, enforced or sued out, or the Issuer makes a conveyance, assignation, trust or assignment for the benefit of its creditors generally. 	<p>The Trustee may in its absolute discretion, and if so directed by an Extraordinary Resolution of the holders of the Controlling Class or so requested in writing by the holders of at least 25 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class shall (subject, in each case, to being indemnified and/or prefunded and/or secured to its satisfaction), serve an Enforcement Notice on the Issuer (copied to the Account Bank and the Principal Paying Agent) declaring the Notes to be due and payable and each Note will accordingly forthwith become immediately due and payable at its Note Principal Amount Outstanding together with accrued but unpaid interest (if any).</p>

Nature of Trigger:	Description of Trigger:	Contractual requirements upon the occurrence of the following triggers:
<p>Cash Administrator Termination Events</p>	<p>The occurrence of any of the following:</p> <ul style="list-style-type: none"> (i) the Cash Administrator fails to make a payment due under the Cash Administration Agreement at the latest on the second Business Day after its due date or, in the event no due date has been determined, if payable, within two Business Days after the written demand for payment; (ii) the Cash Administrator fails to comply with its covenants or obligations (other than those referred to in (i) above) which failure is, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders of the Controlling Class; (iii) an Insolvency Event occurs in respect of the Cash Administrator; or (iv) the Cash Administrator fails to be exempt from FATCA Withholding. 	<p>Termination of appointment of Cash Administrator (subject to the appointment of a substitute cash administrator).</p>
<p>Servicer Termination Events</p>	<p>The occurrence of any of the following:</p> <ul style="list-style-type: none"> (i) the Servicer fails to make a payment due under the Servicing Agreement at the latest on the second Business Day after its due date, or, in the event no due date has been determined, if payable, within 3 Business Days after the written demand for payment; (ii) following a demand for performance the Servicer fails within 5 Business Days to perform its material (as determined by the Issuer) obligations (other than those referred to in (i) above) owed to the Issuer under the Servicing Agreement and such failure would, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders of the Controlling Class; (iii) the Servicer (a) is unable to pay its debts when they fall due, or (b) intends to commence insolvency or reorganisation proceedings or is subject to insolvency or dissolution proceedings and the Servicer fails to remedy or contest in good faith such status within 60 Business Days; or (iv) any material licence, authorisation or registration of the Servicer required with respect to the Servicing Agreement and the Services to be performed thereunder is revoked or restricted. 	<p>Termination of appointment of Servicer. The performance of the Servicer's obligations under the Servicing Agreement shall be undertaken by a Successor Servicer in accordance with the terms of a replacement servicing agreement.</p>

Nature of Trigger:	Description of Trigger:	Contractual requirements upon the occurrence of the following triggers:
Insolvency Event of the Seller	The occurrence of an Insolvency Event with respect to the Seller and where such event is requested by the Insolvency Official of the Seller.	The Servicer will negotiate the variable component of the Administrator Incentive Recovery Fee with the Seller's Insolvency Official with a view to maximising recoveries in respect of the relevant Financed Vehicles where the Seller's Insolvency Official disposes of, arranges for the disposal of or otherwise assists with the disposal of such relevant Financed Vehicles.
Notification Events	<p>The occurrence of any of the following:</p> <ul style="list-style-type: none"> (i) the delivery by the Trustee to the Issuer of an Enforcement Notice in accordance with the Conditions; (ii) the occurrence of an Insolvency Event in respect of the Seller; (iii) the occurrence of a Servicer Termination Event; (iv) the Seller being required to deliver the Notification Event Notice by a requirement of law; or (v) the Security or any material part of the Security being in jeopardy in the sole determination of the Trustee and it being considered necessary or desirable by the Trustee in its sole discretion for a Notification Event Notice to be delivered by the Servicer in order to materially reduce such jeopardy. 	The Trustee may require that a Notification Event Notice be delivered to Customers pursuant to the Receivables Sale Agreement.
Revolving Period Termination Event	<p>The occurrence of any of the following:</p> <ul style="list-style-type: none"> (i) an Issuer Event of Default or Notification Event; (ii) a change of control with respect to the Seller, and, for the purposes of this definition, the Seller will be treated as being under the control of a person if such person: <ul style="list-style-type: none"> (a) has the power (whether by any ownership of shares, proxy, contract, agency or otherwise) to cast, or control the casting of, more than 50 per cent. of the maximum number of votes that might be cast at a general meeting of the Seller, or appoint or remove all, or the majority, of the directors or other equivalent officers of the Seller or give directions with respect to the operating and financial policies of the Seller with which the director or other equivalent officers of the Seller are obliged to comply; or (b) holds (directly or indirectly) more than 50 per cent. of the issued share capital or membership rights of or in the Seller; (iii) a Negative Carry Event; 	On or after the occurrence of a Revolving Period Termination Event, the Revolving Period will terminate and no Further Receivables will be sold into the Portfolio.

Nature of Trigger:	Description of Trigger:	Contractual requirements upon the occurrence of the following triggers:
	<ul style="list-style-type: none"> (iv) the Three Month Moving Average of Delinquent Receivables as at the related Calculation Dates expressed as a percentage of the Aggregate Asset Amount Outstanding of the Purchased Receivables on such Calculation Dates exceeds 1 per cent.; (v) an Asset Trigger Event; (vi) a Liquidity Reserve Shortfall; or (vii) the Cumulative Gross Defaulted Receivables expressed as a percentage of the Aggregate Asset Amount Outstanding of the Initial Portfolio exceeds 1.25 per cent. within the first calendar year following the Closing Date or 2.50 per cent. thereafter. 	
<p>Liquidity Draw Event</p>	<p>The occurrence of any of the following:</p> <ul style="list-style-type: none"> (i) an Insolvency Event with respect to the Servicer resulting in either partial or total interruption of the contractually agreed transfers of Collections to the Issuer within the timings set out in the Transaction Documents and the consequence of such interruption is that the Available Distribution Amount available for application on any Payment Date following such interruption is insufficient to pay items (a) to (k) of the Pre-Enforcement Priority of Payments; (ii) transfer of the Servicer role to a Successor Servicer resulting in either partial or total interruption of the contractually agreed transfers of Collections to the Issuer within the timings set out in the Transaction Documents and the consequence of such interruption is that the Available Distribution Amount available for application on any Payment Date following such interruption is insufficient to pay items (a) to (k) of the Pre-Enforcement Priority of Payments; or (iii) failure by the Servicer to transfer Collections to the Issuer pursuant to the Transaction Documents or failure of any other party involved in the transfer of Collections from the Servicer to the Issuer to so transfer Collections (subject, in each case, to applicable grace periods). 	<p>Upon the occurrence of a Liquidity Draw Event, an amount equal to the lower of (i) the relevant Liquidity Shortfall and (ii) the Liquidity Reserve Maximum Drawing Limit shall be applied from amounts credited to the Liquidity Reserve Fund to make up any Liquidity Shortfall (including unpaid interest in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes and items senior to such payments in the Pre-Enforcement Priority of Payments).</p>

FEES

The following table sets out the up-front and on-going fees to be paid by the Issuer to the Transaction Parties.

Amount of Fee	Priority in cashflow waterfall	Frequency
<i>Servicer</i>		
0.75 per cent. per annum of the Aggregate Asset Amount Outstanding (inclusive of VAT, if any)	Ahead of all outstanding Notes	Monthly in arrear on each Payment Date
<i>Other fees and expenses of the Issuer</i>		
Estimated at £90,000 per annum in total (exclusive of VAT)	Ahead of all outstanding Notes	Monthly in arrear on each Payment Date
<i>Expenses directly related to the admission to listing and trading of the Notes</i>		
€6,000 (exclusive of any applicable VAT)	N/A	On or before the Closing Date

CREDIT STRUCTURE

Cash Collection Arrangements and Issuer Accounts

Payments by the Customers under the Purchased Receivables are due on a monthly basis, with interest or finance charges (as applicable) being payable in arrear. Customers will make such payments into the Seller Accounts and, in the majority of cases, by direct debit. The Seller will hold all amounts credited to the Seller Accounts which are due to the Issuer pursuant to or in respect of the Purchased Receivables and the Related Collateral from time to time, excluding Seller Amounts, on trust for the Issuer, pursuant to the Seller Accounts Declaration of Trust. Prior to a Servicer Termination Event, all Collections will be transferred, within one Business Day following receipt by the Seller into the Seller Accounts, to the Transaction Account held in the name of the Issuer at the Transaction Account Bank. On the Business Day before each Payment Date certain amounts standing to the credit of the Transaction Account will be transferred from the Transaction Account to the Sterling Account held in the name of the Issuer at the Account Bank. See “*Overview of the Transaction Documents—Servicing Agreement*” and “*—Account Bank Agreement*”.

The Ledgers will be maintained to record amounts held in (i) the Transaction Account in respect of (a) the balance of the Liquidity Reserve Fund, and (b) the amounts due and payable by the Issuer to the Seller under the Receivables Sale Agreement in respect of any Seller Amounts and (ii) the Sterling Account in respect of (a) the Available Distribution Amount, (b) during the Revolving Period, amounts retained for reinvestment in Further Receivables, and (c) amounts due to the Issuer as retained profit.

Available Distribution Amount

The Available Distribution Amount will be calculated with respect to a Collection Period for the purpose of determining the amount to be applied under the Pre-Enforcement Priority of Payments on the immediately following Payment Date.

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

Pre-Enforcement Priority of Payments

The Available Distribution Amount will, pursuant to the Conditions and the Receivables Sale Agreement, be applied on each Payment Date in accordance with the Pre-Enforcement Priority of Payments set out in Condition 7.6 (*Pre-Enforcement Priority of Payments*).

Payments to satisfy amounts due to third parties (other than pursuant to the Transaction Documents) and payable in connection with the Issuer’s business may be made from the Issuer Accounts on dates other than on a Payment Date.

Post-Enforcement Priority of Payments

Following the delivery of an Enforcement Notice prior to the full discharge of all Secured Obligations, any amounts payable by the Issuer or, in the case of enforcement of the Security, by the Trustee, will be paid in accordance with the Post-Enforcement Priority of Payments set out in Condition 7.7 (*Post-Enforcement Priority of Payments*).

Credit Enhancement

Prior to the delivery of an Enforcement Notice, (i) the Class A Notes will have the benefit of credit enhancement provided through the subordination of (1) interest payments (and, as regards principal payments on the Class A Notes) principal payments on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes and (2) interest and principal payments on the Class F Notes, (ii) the Class B Notes will have the benefit of credit enhancement provided through the subordination of (1) interest payments (and, as regards principal payments on the Class B Notes) principal payments on the Class C Notes, the Class D Notes and the Class E Notes and (2) interest and principal payments on the Class F Notes, (iii) the Class C Notes will have the benefit of credit enhancement provided through the subordination of (1) interest payments (and, as regards principal payments on the Class C Notes) principal payments on the Class D Notes and the Class E Notes and (2) interest and principal payments on the Class F Notes, (iv) the Class D Notes will have the benefit of credit enhancement provided through the subordination of (1) interest payments (and, as regards principal payments on the Class D Notes) principal payments on the Class E Notes and (2) interest and principal payments on the Class F Notes and (v) the Class E Notes will have the benefit of credit enhancement provided through the subordination of interest and principal payments on the Class F Notes. Furthermore, on the Closing Date, there will be excess spread estimated to be 5.9 per cent. because the average rate in respect of the interest and finance charges under the Underlying Agreements exceeds the average interest rate of the Notes. It is consequently expected that the Available Distribution Amount will exceed the aggregate Interest Amount payable in respect of all Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes on any Payment Date.

Following the delivery of an Enforcement Notice and on enforcement of the Security, (i) the Class A Notes will have the benefit of credit enhancement provided through the subordination, both as to payment of interest and principal, of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, (ii) the Class B Notes will have the benefit of credit enhancement provided through the subordination, both as to payment of interest and principal, of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, (iii) the Class C Notes will have the benefit of credit enhancement provided through the subordination, both as to payment of interest and principal, of the Class D Notes, the Class E Notes and the Class F Notes, (iv) the Class D Notes will have the benefit of credit enhancement provided through the subordination, both as to payment of interest and principal, of the Class E Notes and the Class F Notes and (v) the Class E Notes will have the benefit of credit enhancement provided through the subordination, both as to payment of interest and principal, of the Class F Notes.

Liquidity Reserve Fund

Prior to the delivery of an Enforcement Notice, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will have the benefit of the Liquidity Reserve Fund, which will provide limited protection against shortfalls in the amounts required to pay interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes in the event of a Liquidity Draw Event in accordance with the Pre-Enforcement Priority of Payments. The balance of the Liquidity Reserve Fund from time to time will be recorded on the Liquidity Reserve Ledger, which will be operated by the Cash Administrator as a ledger on the Transaction Account. See “*Risk Factors—Limited availability of Liquidity Reserve Fund*”.

The Liquidity Reserve Fund will be funded on the Closing Date in an amount equal to the Liquidity Reserve Loan Initial Amount with an advance from the Liquidity Reserve Loan Provider under the Liquidity Reserve Loan Agreement.

Prior to the delivery of an Enforcement Notice:

- if on a Payment Date a Liquidity Draw Event is continuing, then an amount equal to the lower of (i) the relevant Liquidity Shortfall and (ii) the Liquidity Reserve Maximum Drawing Limit shall be applied to make payments in respect of items (a) to (k) of the Pre-Enforcement Priority of Payments;
- if no Liquidity Draw Event is continuing on a Payment Date, the Liquidity Reserve Fund will be replenished on such Payment Date up to the Required Liquidity Target Amount, determined as at the Calculation Date immediately preceding such Payment Date, to the extent of any excess Available Distribution Amount not used to meet the prior-ranking payment obligations of the Issuer in accordance with the Pre-Enforcement Priority of Payments. See Condition 7.6 (*Pre-Enforcement Priority of Payments*) and “*Credit Structure—Pre-Enforcement Priority of Payments*”;
- on each Payment Date, the Liquidity Excess Amount shall not constitute Available Distribution Amounts and shall instead be applied to repay outstanding principal under the Liquidity Reserve Loan Advance and, upon repayment of the Liquidity Reserve Loan Advance in full, to pay Deferred Consideration directly to the Seller; and
- on each Payment Date, any interest accrued on amounts credited to the Liquidity Reserve Fund as at the Calculation Date immediately preceding such Payment Date will not constitute Available Distribution Amounts and will instead be applied to pay interest on the Liquidity Reserve Loan Advance directly to the Liquidity Reserve Loan Provider.

Following delivery of an Enforcement Notice, amounts credited to the Liquidity Reserve Fund will be used to directly pay accrued interest on the Liquidity Reserve Loan Advance and to repay the Liquidity Reserve Loan Advance in full directly to the Liquidity Reserve Loan Provider. Amounts credited to the Liquidity Reserve Fund will only be included as Available Distribution Amounts following delivery of an Enforcement Notice and upon payment in full of all amounts outstanding in respect of the Liquidity Reserve Loan Advance.

The Expenses Loan

The Expenses Loan Provider will make available to the Issuer on the Closing Date the Expenses Loan Advance under the Expenses Loan Agreement in the principal amount of £1,500,000 which will be utilised for the purpose of paying certain expenses of the Issuer.

Prior to the delivery of an Enforcement Notice, interest and principal in respect of the Expenses Loan Advance will be payable by the Issuer monthly in arrear on each Payment Date, subject to and in accordance with the Pre-Enforcement Priority of Payments. The obligations of the Issuer to make payments of principal and interest (if any) to the Expenses Loan Provider in respect of the Expenses Loan Advance are, prior to service of an Enforcement Notice, subordinated to the obligations of the Issuer under the Notes and also rank below all other obligations of the Issuer (other than retained profit due to the Issuer (if any) and Deferred Consideration). See “*Overview of the Transaction Documents—Expenses Loan Agreement*”.

DESCRIPTION OF THE NOTES IN GLOBAL FORM

General

The Notes of each Class will be represented by a Reg S Global Note. Beneficial interests in a Reg S Global Note may only be held through Euroclear or Clearstream, Luxembourg or their participants at any time.

The Reg S Global Notes representing the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will be held under the New Safekeeping Structure for Global Notes (the NSS) and will be deposited with a Common Safekeeper for Euroclear and Clearstream, Luxembourg and registered in the name of the Common Safekeeper (or a nominee thereof).

Ownership of Book-Entry Interests is limited to Participants or Indirect Participants (see “*Glossary of Defined Terms*”). Indirect Participants shall also include persons that hold beneficial interests through such Indirect Participants. Book-Entry Interests will not be held in definitive form. Instead, Euroclear or Clearstream, Luxembourg, as applicable, will credit the Participants’ accounts with the respective Book-Entry Interests beneficially owned by such Participants on each of their respective book-entry registration and transfer systems. The accounts initially credited will be designated by the Managers. Ownership of Book-Entry Interests will be shown on, and transfers of Book-Entry Interests or the interests therein will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg (with respect to the interests of their Participants) and on the records of Participants or Indirect Participants (with respect to the interests of Indirect Participants). The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability to own, transfer or pledge Book-Entry Interests.

So long as the nominee of the Common Safekeeper is the registered holder of the related Global Notes underlying the related Book-Entry Interests, the nominee of the Common Safekeeper will be considered the sole Noteholder of such Global Notes for all purposes under the Trust Deed. Except as set forth under “—*Issuance of Definitive Notes*”, Participants or Indirect Participants will not be entitled to have Notes registered in their names, will not receive or be entitled to receive delivery of Notes in definitive registered form and will not be considered the holders thereof under the Trust Deed.

In the case of the Reg S Global Notes, unless and until Book-Entry Interests are exchanged for Definitive Notes, the Reg S Global Notes held by the Common Safekeeper may not be transferred except as a whole by the Common Safekeeper to a successor of the Common Safekeeper.

Action in Respect of the Global Notes and the Book-Entry Interests

Each person holding a Book-Entry Interest must rely on the rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and Indirect Participants must rely on the procedures of the Participants or Indirect Participants through which such person owns its interest in the relevant Book-Entry Interests, to exercise any rights and obligations of a holder of Notes under the Trust Deed. Unlike legal owners or holders of the Notes, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by the Issuer or consents or requests by the Issuer for waivers or other actions from Noteholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg, as the case may be, and, if applicable, their Participants.

Not later than 10 days after receipt by the Issuer of any notices in respect of the Global Notes or any notice of solicitation of consents or requests for a waiver or other action by the holder of the Global Notes, the Issuer will deliver to Euroclear and Clearstream, Luxembourg a notice containing (a) such information as is contained in such notice, (b) a statement that, at the close of business on a specified Record Date, Euroclear and Clearstream, Luxembourg will be entitled to instruct the Issuer as to the consent, waiver or other action, if any, pertaining to the Book-Entry Interests or the Global Notes and (c) a statement as to the manner in which such instructions may be given. Upon the written request of Euroclear or Clearstream, Luxembourg, as applicable, the Issuer shall endeavour insofar as practicable to take such action regarding the requested consent, waiver or other action in respect of the Book-Entry Interests or the Global Notes in accordance with any instructions set forth in such request. Euroclear and Clearstream, Luxembourg are expected to follow the procedures described under “—*General*”, with respect to soliciting instructions from their respective Participants. The Registrar will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Book-Entry Interests or the Global Notes.

There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Issuer Event of Default under the Global Notes, holders of Book-Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg, as applicable, unless and until Definitive Notes are issued in accordance with the

Conditions. There can be no assurance that the procedures to be implemented by Euroclear or Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

Trading

Secondary market sales of Book-Entry Interests in the Notes held through Euroclear or Clearstream, Luxembourg, as applicable, to purchasers of Book-Entry Interests in the Notes held through Euroclear or Clearstream, Luxembourg, as applicable, will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg, as applicable, and will be settled using the procedures applicable to conventional sterling denominated bonds.

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Book-Entry Interests among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Managers, the Trustee or any of their respective agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective Participants or account holders of their respective obligations under the rules and procedures governing their operations.

All transfers of Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its Participants. All transfers of the Notes must comply with the transfer restrictions set forth under “*Transfer Restrictions*” herein.

Payments on the Global Notes

Payment of principal and interest on, and any other amount due in respect of, the Global Notes will be made in Sterling by or to the order of the Principal Paying Agent on behalf of the Issuer to the Common Safekeeper or its nominee. Each holder of Book-Entry Interests must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of any amounts paid by or on behalf of the Issuer to the Common Safekeeper or its nominee in respect of those Book-Entry Interests.

In accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as applicable, after receipt of any payment from the Principal Paying Agent to the order of the Common Safekeeper, as applicable, 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, as applicable. On each Record Date, Euroclear and Clearstream, Luxembourg will determine the identity of the Noteholders for purposes of making payments to the Noteholders. The Issuer expects that payments by Participants to owners of interests in Book-Entry Interests held through such Participants or Indirect Participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in “street name”, and will be the responsibility of such Participants or Indirect Participants. None of the Issuer, any agent of the Issuer or the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of a Participant’s ownership of Book-Entry Interests or for maintaining, supervising or reviewing any records relating to a Participant’s ownership of Book-Entry Interests.

Information Regarding Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders, thereby eliminating the need for physical movements of certificates and any risk from lack of simultaneous transfers of securities.

Euroclear and Clearstream, Luxembourg each provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deal with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and of Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective account holders may settle trades with each other.

Account holders in both Euroclear and Clearstream, Luxembourg are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under such rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective account holders.

The Issuer understands that under existing industry practices, if any of the Issuer or the Trustee requests any action of owners of Book-Entry Interests or if an owner of a Book-Entry Interest desires to give instructions or take any action that a holder is entitled to give or take under the Trust Deed or the Deed of Charge, Euroclear or Clearstream, Luxembourg, as the case may be, would authorise the Participants owning the relevant Book-Entry Interests to give instructions or take such action, and such Participants would authorise Indirect Participants to give or take such action or would otherwise act upon the instructions of such Indirect Participants.

Redemption

In the event that any Global Note (or portion thereof) is redeemed, the Principal Paying Agent will deliver all amounts received by it in respect of the redemption of such Global Note to the Common Safekeeper, and, upon final payment, the holder of such Global Note will surrender such Global Note to or to the order of the Principal Paying Agent for cancellation. Appropriate entries will be made in the Register. The redemption price payable in connection with the redemption of Book-Entry Interests will be equal to the amount received by the Principal Paying Agent in connection with the redemption of the Global Note (or portion thereof) relating thereto. Any redemptions of a Global Note in part will be made by Euroclear or Clearstream, Luxembourg, as the case may be, on a *pro rata* basis (or on such basis as Euroclear or Clearstream, Luxembourg, as the case may be, deems fair and appropriate).

Cancellation

All Notes redeemed in full will be cancelled forthwith by the Issuer and may not be reissued or resold.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable clearing system, purchases of Notes held within a clearing system must be made by or through Participants, which will receive a credit for such Notes on the clearing system's records. The ownership interest of each actual purchaser of each such Note (the **beneficial owner**) will in turn be recorded on the Participant's records. Beneficial owners will not receive written confirmation from any clearing system of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct and indirect participant through which such beneficial owner entered into the transaction. Transfers of ownership interests in Notes held within the clearing system will be effected by entries made on the books of Participants acting on behalf of beneficial owners. **Beneficial owners will not receive individual Notes representing their ownership interests in such Notes unless use of the book-entry system for the Notes described in this section is discontinued.**

No clearing system has knowledge of the actual beneficial owners of the Notes held within such clearing system and their records will reflect only the identity of the direct participants to whose accounts such Notes are credited, which may or may not be the beneficial owners. Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

All transfers of Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its Participants. See "*—General*".

Each Reg S Global Note will bear a legend substantially identical to that appearing under "*Transfer Restrictions*". Prior to the expiration of the Distribution Compliance Period, a Book-Entry Interest in a Reg S Global Note of one Class A Note, Class B Note, Class C Note, Class D Note, Class E Note or Class F Note may not be transferred within the United States or to, or for the account or benefit of, U.S. persons.

Issuance of Definitive Notes

Holders of Book-Entry Interests in a Reg S Global Note will be entitled to receive Definitive Notes in registered form (**Definitive Notes**) in exchange for their respective holdings of Book-Entry Interests if (a) both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday,

statutory or otherwise) or announce an intention permanently to cease business and do so cease to do business and no alternative clearing system satisfactory to the Trustee is available or (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation of such laws or regulations by a revenue authority or a court or in the administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the Notes in definitive form.

Any Definitive Notes issued in exchange for Book-Entry Interests in a 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 Euroclear or Clearstream, Luxembourg. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, Luxembourg, as applicable, 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 a Global Note will not be entitled to exchange such Definitive Notes for Book-Entry Interests in a Global Note. Any Notes issued in definitive form will be issued in registered form only and will be subject to the provisions set forth under “*Transfer Restrictions*” in this Prospectus; **provided that** no transfer shall be registered for a period of 15 days immediately preceding any Payment Date, or, as the case may be, the due date for redemption. Definitive Notes will only be issued in permitted integral multiples of the Minimum Denomination or for any amount in excess thereof. A Noteholder who holds a principal amount of less than the Minimum Denomination may not receive a Definitive Note in respect of such holding (should Definitive Notes be issued) and would need to purchase a principal amount of Notes such that its holding amounts to the Minimum Denomination.

Reports

So long as the Notes are listed on the Official List and traded on the regulated market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so permit, all notices relating to the Notes shall be published by delivery to the applicable clearing system. Any such notice shall be deemed to have been given to all Class A Noteholders, Class B Noteholders, Class C Noteholders, Class D Noteholders, Class E Noteholders and Class F Noteholders, as applicable, on the same day that such notice was delivered to the applicable clearing system. Notices relating to the Notes may also be published on the announcements section of the website of the Irish Stock Exchange, on the applicable page of the Reuters screen, Bloomberg screen or any other medium for electronic display of data as may be approved by the Trustee. See also Condition 13 (*Form of Notices*).

TERMS AND CONDITIONS OF THE NOTES

A summary of certain defined terms and their meanings is set out in the section of this Prospectus marked “Glossary of Defined Terms”, subject always to the provisions of the Transaction Documents.

The following are the terms and conditions applicable to the Notes.

The £528,000,000 1.30% Class A asset backed fixed rate notes due 2025 (the **Class A Notes**), the £15,000,000 1.80% Class B asset backed fixed rate notes due 2025 (the **Class B Notes**), the £30,000,000 3.75% Class C asset backed fixed rate notes due 2025 (the **Class C Notes**), the £9,000,000 4.25% Class D asset backed fixed rate notes due 2025 (the **Class D Notes**), the £13,000,000 5.25% Class E asset backed fixed rate notes due 2025 (the **Class E Notes**) and the £5,000,000 8.50% Class F asset backed fixed rate notes due 2025 (the **Class F Notes** and, together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the **Notes**) are constituted by a trust deed (the **Trust Deed**) dated on or about 15 December 2016 (the **Closing Date**) between Motor 2016-1 PLC (the **Issuer**) and U.S. Bank Trustees Limited (the **Trustee**, which expression will include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for, *inter alios*, the holders of the Notes (the **Noteholders**).

The Notes are secured pursuant to and on the terms set out in a deed of charge (the **Deed of Charge**) dated on or about the Closing Date between, *inter alios*, the Issuer and the Trustee on the Security created thereunder, which Security includes, without limitation, security over the Issuer’s rights, title, interest and benefit, present and future, in, under and to an agency agreement (the **Agency Agreement**) dated on or about the Closing Date between the Issuer, the Trustee, Elavon Financial Services DAC, UK Branch, as principal paying agent (in such capacity, the **Principal Paying Agent**, which expression shall include its permitted successors and assigns) and as agent bank (in such capacity, the **Agent Bank**, which expression will include its permitted successors and assigns) and Elavon Financial Services DAC, as registrar (in such capacity, the **Registrar**, which expression will include its permitted successors and assigns).

Payments under the Notes will be made in accordance with the Agency Agreement.

References to each of the Transaction Documents are to the relevant Transaction Document as from time to time modified in accordance with its provisions and/or any deed or document expressed to be supplemental to it, as from time to time so supplemented.

Statements in these terms and conditions (the **Conditions**) are subject to the detailed provisions of the Transaction Documents, copies of which are available during normal business hours for inspection at the specified office of the Principal Paying Agent. The holders of the Notes are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions contained in the Trust Deed and the Deed of Charge, and those provisions 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 the Conditions have the meanings given to them in the master definitions and construction schedule signed for the purposes of identification by the Issuer and the Trustee on or about the Closing Date.

The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on or about 7 December 2016.

1. Form and Denomination

- (a) Motor 2016-1 PLC, incorporated with limited liability in England and Wales under company registration number 9713005 with its registered office at 35 Great St. Helen’s, London EC3A 6AP, United Kingdom, issues the following classes of asset-backed notes in registered form (each, a **Class**) pursuant to these Conditions. The Notes are issued in Minimum Denominations of £100,000 and integral multiples of £1,000 in excess thereof. The Notes will be issued on the Closing Date.
- (b) The aggregate nominal amount of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, which are to be initially offered and sold outside the United States to non-U.S. persons pursuant to Regulation S (**Reg S**) under the United States Securities Act of 1933, as amended (the **Securities Act**), are each initially represented by one or more global registered notes in fully registered form (the **Reg S Global Notes**) without coupons attached. References herein to the **Notes** shall include (i) in relation to any Notes of a Class represented by a Global Note or Global Notes, units of the Minimum Denomination of such Class, (ii) any Global Note and (iii) any Definitive Note (whether or not issued in exchange for a Global Note).

- (c) For so long as any Notes are represented by a Global Note, transfers and exchanges of beneficial interests in such Global Notes and entitlement to payments thereunder will be effected subject to and in accordance with the rules and procedures from time to time of Euroclear Bank S.A./N.V. (**Euroclear**) or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**).
- (d) The Notes shall (in the case of the Notes represented by a Global Note, for so long as Euroclear and Clearstream, Luxembourg so permit) be tradeable only in Minimum Denominations of £100,000 and integral multiples of £1,000 in excess thereof.
- (e) Definitive Notes in an aggregate principal amount equal to the aggregate nominal amount of the Reg S Global Notes (the **Definitive Notes**) will be issued in registered form and serially numbered in the circumstances referred to below. Definitive Notes (if issued) will be issued in the Minimum Denominations of £100,000 and integral multiples of £1,000 in excess thereof.
- (f) If, while any Notes are represented by a Global Note:
 - (i) Euroclear or Clearstream, Luxembourg are closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or do so cease business and no alternative clearing system satisfactory to the Trustee is available; or
 - (ii) as a result of any amendment to or change in (A) the laws or regulations of the United Kingdom (or any political subdivision thereof) or of any authority therein or thereof having power to tax or (B) the interpretation of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or the Principal Paying Agent is or will be required to make any deduction or withholding for or on account of tax from any payment in respect of the Notes which would not be required were the Notes in definitive form,

then the Issuer will, within 30 calendar days of the occurrence of the relevant event, issue individually registered holdings of Notes evidenced by serially numbered note certificates in definitive form in exchange for the whole outstanding interest in the Global Note.

The Registrar will not register the transfer of, or exchange of, interests in the Global Note for individual holdings of Notes represented by individual certificates for a period of 15 calendar days ending on the date for any payment of principal or interest in respect of the Notes.

In such circumstances, the relevant Global Note shall be exchanged in full for individual holdings of Notes represented by individual certificates and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient individual certificates to be executed and delivered to the Registrar for completion, effectuation and dispatch to the relevant Noteholders. A person having an interest in a Global Note must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to register its individual holding of Notes and complete, execute and deliver an individual certificate representing such holding.

- (g) The holder of Notes represented by an individual certificate may transfer such Notes in whole or in part in the applicable Minimum Denomination by surrendering the relevant certificate at the specified office of the Registrar, together with the completed form of transfer thereon. Upon the transfer of the Notes, or the exchange or replacement of an individual certificate, any legends or restrictions set forth therein are required to be complied with at all times.
- (h) Each Reg S Global Note shall be manually signed by or on behalf of the Issuer and shall be effectuated by the Registrar.
- (i) The aggregate nominal amount of the Class A Notes represented by the Class A Global Note, the Class B Notes represented by the Class B Global Note, the Class C Notes represented by the Class C Global Note, the Class D Notes represented by the Class D Global Note, the Class E Notes represented by the Class E Notes and the Class F Notes represented by the Class F Notes shall be the aggregate amount from time to time entered in the records of both Euroclear and Clearstream, Luxembourg, as applicable. Absent errors, the records of Euroclear and Clearstream, Luxembourg (meaning the records that each of Euroclear and Clearstream, Luxembourg holds for its customers which reflect the amount of each such customer's interest in the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) shall be conclusive evidence of the

aggregate nominal amount of the Class A Notes represented by the Class A Global Note, the Class B Notes represented by the Class B Global Note, the Class C Notes represented by the Class C Global Note, the Class D Notes represented by the Class D Global Note, the Class E Notes represented by the Class E Global Note and the Class F Notes represented by the Class F Global Note and, for these purposes, a statement issued by Euroclear or Clearstream, Luxembourg, as applicable, stating the aggregate nominal amount of Notes so represented at any time shall be conclusive evidence of the records of Euroclear and Clearstream, Luxembourg (as applicable) at that time.

- (j) On any redemption or payment of interest in respect of any of the Class A Notes represented by the Class A Global Note, the Class B Notes represented by the Class B Global Note, the Class C Notes represented by the Class C Global Note, the Class D Notes represented by the Class D Global Note, the Class E Notes represented by the Class E Global Note or the Class F Notes represented by the Class F Global Note, the Issuer shall procure that details of any redemption or payment (as the case may be) in respect of Notes represented by, the Class A Global Note, the Class B Global Note, the Class C Global Note, the Class D Global Note, the Class E Global Note or the Class F Global Note (as the case may be) shall be entered *pro rata* in the records of Euroclear or Clearstream, Luxembourg (as applicable) and, in relation to any such redemption, upon any such entry being made, the aggregate nominal amount of the Notes recorded in the records of Euroclear or Clearstream, Luxembourg and represented by the Class A Global Note, the Class B Global Note, the Class C Global Note, the Class D Global Note, the Class E Global Note or the Class F Global Note (as the case may be) shall be reduced by the aggregate nominal amount of the Notes so redeemed.
- (k) Copies of the Global Notes are available free of charge at the main offices of the Issuer and of the Principal Paying Agent during normal business hours.

2. Status and Priority

- (a) The Notes constitute direct, secured and (subject to Condition 3.2 (*Limited Recourse*)) unconditional obligations of the Issuer only.
- (b) (1) Prior to the delivery of an Enforcement Notice, the obligations of the Issuer under the Class A Notes rank *pari passu* without any preference among themselves in respect of security, in accordance with the Pre-Enforcement Priority of Payments. Following the delivery of an Enforcement Notice, the obligations of the Issuer under the Class A Notes rank ahead of all other current and future obligations of the Issuer in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes in accordance with the Post-Enforcement Priority of Payments. (2) The obligations of the Issuer under the Class B Notes rank *pari passu* among themselves in respect of security prior to the delivery of an Enforcement Notice. Following the delivery of an Enforcement Notice, the obligations of the Issuer under the Class B Notes rank ahead of all other current and future obligations of the Issuer in respect of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes in accordance with the Post-Enforcement Priority of Payments. (3) The obligations of the Issuer under the Class C Notes rank *pari passu* among themselves in respect of security prior to the delivery of an Enforcement Notice. Following the delivery of an Enforcement Notice, the obligations of the Issuer under the Class C Notes rank ahead of all other current and future obligations of the Issuer in respect of the Class D Notes, the Class E Notes and the Class F Notes in accordance with the Post-Enforcement Priority of Payments. (4) The obligations of the Issuer under the Class D Notes rank *pari passu* among themselves in respect of security prior to the delivery of an Enforcement Notice. Following the delivery of an Enforcement Notice, the obligations of the Issuer under the Class D Notes rank ahead of all other current and future obligations of the Issuer in respect of the Class E Notes and the Class F Notes in accordance with the Post-Enforcement Priority of Payments. (5) The obligations of the Issuer under the Class E Notes rank *pari passu* among themselves in respect of security prior to the delivery of an Enforcement Notice. Following the delivery of an Enforcement Notice, the obligations of the Issuer under the Class E Notes rank ahead of all other current and future obligations of the Issuer in respect of the Class F Notes in accordance with the Post-Enforcement Priority of Payments. (6) The obligations of the Issuer under the Class F Notes rank *pari passu* among themselves in respect of security prior to the delivery of an Enforcement Notice.
- (c) *Priority of Interest Payments:* (1) Payments of interest on the Class A Notes will at all times rank in priority to payments of interest of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, in accordance with the Pre-Enforcement Priority of Payments. (2) Payments of interest on the Class B Notes will at all times rank in priority to payments of interest of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, in accordance with the Pre-Enforcement Priority of Payments. (3) Payments of interest on the Class C Notes will at all times

rank in priority to payments of interest of the Class D Notes, the Class E Notes and the Class F Notes, in accordance with the Pre-Enforcement Priority of Payments. (4) Payments of interest on the Class D Notes will at all times rank in priority to payments of interest of the Class E Notes and the Class F Notes, in accordance with the Pre-Enforcement Priority of Payments. (5) Payments of interest on the Class E Notes will at all times rank in priority to payments of interest of the Class F Notes, in accordance with the Pre-Enforcement Priority of Payments.

- (d) *Priority of Principal Payments:* (1) Payments of principal on the Class A Notes will rank at all times in priority to payments of principal on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes. (2) Payments of principal on the Class B Notes will rank at all times in priority to payments of principal on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes. (3) Payments of principal on the Class C Notes will rank at all times in priority to payments of principal on the Class D Notes, the Class E Notes and the Class F Notes. (4) Payments of principal on the Class D Notes will rank at all times in priority to payments of principal on the Class E Notes and the Class F Notes. (5) Payments of principal on the Class E Notes will rank at all times in priority to payments of principal on the Class F Notes.

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

3.1 Security

Pursuant to the Deed of Charge, the Issuer has assigned or charged its rights, interests and claims in all Purchased Receivables and the Related Collateral transferred by the Seller to it under or pursuant to the Receivables Sale Agreement, all of its rights and claims arising under the Transaction Documents to which the Issuer is a party and all of its rights, claims and interests in or in relation to any amounts standing to the credit of the Charged Accounts and certain other rights specified in the Deed of Charge as Security for the Notes and other obligations specified in the Deed of Charge.

3.2 Limited Recourse

If at any time following:

- (a) the occurrence of either:
- (i) the Legal Maturity Date or any earlier date upon which all of the Notes of each Class are due and payable in full; or
 - (ii) the service of an Enforcement Notice; and
- (b) Realisation of the Security and application in full of any amounts available to pay amounts due and payable under the Notes in accordance with the applicable Priority of Payments,

the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable Priority of Payments, to pay in full all amounts then due and payable in respect of the Notes in accordance with the applicable Priority of Payments then the amount remaining to be paid (after such application in full of the amounts first referred to in (b) above) in respect of the Notes shall, on the day following such application in full of the amounts first referred to in (b) above, cease to be due and payable by the Issuer.

For the purposes of this Condition 3.2, **Realisation** means, in relation to any Security, the deriving, to the fullest extent practicable, (in accordance with the provisions of the Transaction Documents) of proceeds from or in respect of such Security including (without limitation) through sale or through performance by a Customer.

3.3 Exclusion of Other Limited Recourse

Notwithstanding anything to the contrary in the Transaction Documents, no provision in any Transaction Document other than Condition 3.2 (*Limited Recourse*) shall limit or in any way reduce the amount of interest that would otherwise be payable by the Issuer under any Note, if and to the extent that such limitation or reduction falls to any extent to be determined by reference to the results of any business or part of a business or the value of any property.

3.4 *Enforcement of Payment Obligations*

The enforcement of the payment obligations under the Notes shall only be effected by the Trustee for the benefit of the Noteholders, **provided that** each Noteholder shall be entitled to proceed directly against the Issuer in the event that the Trustee, after having become obliged to do so in accordance with the terms of the Trust Deed or the Deed of Charge, fails to take action within a reasonable time period and such failure continues.

3.5 *Enforcement of the Security*

The Security will become enforceable upon the delivery of an Enforcement Notice in accordance with Condition 3.8 (*Issuer Event of Default*), and subject to the matters referred to in Condition 3.6 (*Enforcement*).

3.6 *Enforcement*

(a) *Proceedings*: The Trustee may, at its discretion and without notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes of each Class and under the other Transaction Documents, but it shall not be bound to do so unless:

(i) so requested in writing by the holders of more than 25 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class; or

(ii) so directed by an Extraordinary Resolution of the Noteholders of the Controlling Class,

and, in any such case, only if it shall have been indemnified and/or prefunded and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

(b) *Directions to the Trustee*: If the Trustee shall, at its discretion, take any action described in Condition 3.6(a) (*Proceedings*), it may take such action without having regard to the effect of such action on individual Noteholders or any other Secured Creditor, **provided that** so long as the Controlling Class is outstanding, the Trustee shall not, and shall not be bound to, act unless:

(i) to do so would not, in its opinion, be materially prejudicial to the interests of the holders of the Controlling Class; or

(ii) such action is sanctioned by an Extraordinary Resolution of the holders of the Controlling Class.

3.7 *Obligations of the Issuer Only*

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

3.8 *Issuer Event of Default*

If any of the following Issuer Events of Default occurs, the Trustee may in its absolute discretion, and if so directed by an Extraordinary Resolution of the holders of the Controlling Class or so requested in writing by the holders of at least 25 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class shall (subject, in each case, to being indemnified and/or prefunded and/or secured to its satisfaction), give a notice (an **Enforcement Notice**) to the Issuer copied to the Account Bank and the Principal Paying Agent declaring the Notes to be due and payable, and each Note will accordingly forthwith become immediately due and payable at its Note Principal Amount Outstanding together with accrued but unpaid interest (if any).

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

(i) the Issuer is deemed unable to pay its debts within the meaning of section 123(1)(b), (c) or (d) of the Insolvency Act (as that section may be amended) or becomes unable to pay its debts as they fall due or the Issuer is wound up (except for a voluntary winding-up by its shareholders) or an order is made or an effective resolution is passed for the winding-up of the Issuer or the Issuer initiates or consents or otherwise becomes subject to liquidation, examinership, insolvency, reorganisation or similar proceedings under any applicable law; or

- (ii) the Issuer (a) defaults in the payment of any Interest Amount due on the Notes of the Controlling Class when the same becomes due and payable to the Principal Paying Agent on any Payment Date and such default continues for a period of five Business Days or more or (b) defaults on the payment of any principal due in respect of any Notes of the Controlling Class when the same becomes due and payable to the Principal Paying Agent and such default continues for a period of five Business Days or more; or
- (iii) the Issuer fails to perform or comply with any one or more of its other obligations (other than a failure to perform or comply with obligations which failure, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders of any Class) and (except where such failure is not capable of remedy, when no such notice as is hereinafter referred to will be required) such failure continues for more than 30 calendar days (or such longer period as the Trustee at the direction of the Controlling Class (acting by Extraordinary Resolution) may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (iv) a distress, execution, attachment, diligence or other legal process is levied or enforced upon or sued out against all or any substantial part of the assets of the Issuer and is, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders of any Class, and not discharged or does not otherwise cease to apply within 30 calendar days of being levied, enforced or sued out, or the Issuer makes a conveyance, assignment, trust or assignment for the benefit of its creditors generally.

4. General Covenants of the Issuer

4.1 Restrictions on Activities

The Issuer Covenants contain certain covenants in favour of the Trustee from the Issuer which, among other things, restrict the ability of the Issuer to create or incur any indebtedness, dispose of assets or change the nature of its business. So long as any Note remains outstanding, the Issuer shall comply with the Issuer Covenants.

4.2 Appointment of Trustee

As long as any Notes are outstanding, the Issuer shall ensure that a trustee is appointed at all times who undertakes the same functions and obligations as the Trustee pursuant to these Conditions, the Trust Deed and the Deed of Charge.

5. Payments on the Notes

5.1 Payment Dates

Payments of interest and, in accordance with the provisions herein, principal in respect of the Notes to the Noteholders shall become due and payable monthly on the 25th day of each calendar month or, if such day is not a Business Day, on the next succeeding Business Day unless such day would thereby fall into the next calendar month, in which case the payment will be made on the immediately preceding Business Day in the same calendar month, commencing on 25 January 2017 (each such day, a **Payment Date**). **Business Day** shall mean a day on which commercial banks and foreign exchange markets are open or required to be open for business in London, England and Dublin, Ireland.

5.2 Note Principal Amount

Payments of principal and interest on each Note on any Payment Date shall be made in Sterling. Payments of interest in respect of each Note shall be made on the Note Principal Amount Outstanding of such Note. The Note Principal Amount Outstanding of any Note as at any date shall equal the initial Note Principal Amount Outstanding of such Note as reduced by all amounts paid prior to such date on such Note in respect of principal.

5.3 Payments and Discharge

- (a) Payments of principal and interest in respect of the Reg S Global Notes representing the Notes shall be made by the Issuer, through the Principal Paying Agent, on the relevant Payment Date to, or to the order of, Euroclear or Clearstream, Luxembourg, for credit to the relevant participants in Euroclear or Clearstream, Luxembourg for subsequent transfer to the holders of beneficial interests in the Reg S Global Notes representing the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, as applicable.

- (b) All payments made by the Issuer in accordance with paragraph (a) of this Condition 5.3 (*Payments and Discharge*) shall discharge the liability of the Issuer under the relevant Notes to the extent of the sums so paid to the Principal Paying Agent. Any failure to make the entries in the records of Euroclear or Clearstream, Luxembourg in respect of the Reg S Global Notes representing the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, as applicable, shall not affect the discharge referred to in the preceding sentence.

5.4 *Method of Payment*

Subject to the provisions of this Condition 5 (*Payments on the Notes*), payments of interest and principal in respect of each Note will be made to the holder (or the first named holder in the case of joint holders) of such Note appearing on the Register at the close of business at the Record Date preceding the relevant Payment Date.

6. **Payments of Interest**

6.1 *Interest Calculation*

- (a) Subject to the limitations set forth in Condition 3.2 (*Limited Recourse*) and, in particular, subject to the Pre-Enforcement Priority of Payments or, following the delivery of an Enforcement Notice, the Post-Enforcement Priority of Payments, the Notes shall bear interest on the applicable Note Principal Amount Outstanding from the Closing Date until the close of the day preceding the day on which such Notes have been redeemed in full (both days inclusive).
- (b) The Interest Amount shall be calculated by applying the relevant Interest Rate (as described in Condition 6.3 (*Interest Rate*)), for the relevant Interest Period (as described in Condition 6.2 (*Interest Period*)), to the Note Principal Amount Outstanding on the immediately preceding Payment Date (after taking account of any payment made on such date) and multiplying the result by the actual number of days in the relevant Interest Period divided by 365 and rounding the result to the nearest £0.01 (with £0.005 being rounded upwards).

6.2 *Interest Period*

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

6.3 *Interest Rate*

The Interest Rate payable on the Notes for each Interest Period shall be:

- (i) in the case of the Class A Notes, 1.30 per cent. per annum,
- (ii) in the case of the Class B Notes, 1.80 per cent. per annum,
- (iii) in the case of the Class C Notes, 3.75 per cent. per annum,
- (iv) in the case of the Class D Notes, 4.25 per cent. per annum,
- (v) in the case of the Class E Notes, 5.25 per cent. per annum, and
- (vi) in the case of the Class F Notes, 8.50 per cent. per annum.

6.4 *[Reserved]*

6.5 *Interest payments*

Interest on each Note is payable in Sterling in arrear on each Payment Date commencing on the First Payment Date in an amount equal to the Interest Amount in respect of such Note for the Interest Period ending on (but excluding) such Payment Date.

6.6 *Interest Accrual*

- (a) On each Payment Date, Interest Amounts shall be due and payable on each Class of Notes. However, subject to paragraphs (b) to (d) below, the Issuer shall only be obliged to pay the relevant Interest Amount on a Payment Date in relation to a Class of Notes to the Principal Paying Agent for the purposes of payments by the Principal Paying Agent to the relevant Noteholders.
- (b) Payments by the Issuer of Interest Amounts to the Principal Paying Agent on the Class A Notes and, while any such Class is the Controlling Class, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes cannot be deferred. To the extent the Issuer has insufficient funds to pay the Interest Amount due and payable on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes on a Payment Date (for so long as the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes are not the Controlling Class), or to the extent that the Issuer has paid the Interest Amount on any Class of the Notes on a Payment Date to the Principal Paying Agent and the Principal Paying Agent has failed to make the equivalent payment in full to the relevant Noteholders, the amount of such shortfall or non-payment will be deferred until the next Payment Date on which funds are available (after allowing for the Issuer's liabilities of higher priority and subject to and in accordance with these Conditions) to make such payments in accordance with the relevant Priority of Payments, and the Interest Amount scheduled to be paid on such Payment Date for any affected Class of Notes will be increased by the amount of any such deferral.
- (c) Interest Amounts which are deferred or otherwise not paid on the relevant Payment Date will accrue interest (**Additional Interest**) at the rate of interest applicable to the related Notes from time to time. Payment of any Additional Interest will also be deferred until the first Payment Date thereafter on which the Available Distribution Amount is sufficient to enable the Issuer to pay such Additional Interest in accordance with the relevant Priority of Payments.
- (d) Payments of Interest Amounts and any Additional Interest thereon shall not be deferred beyond the Legal Maturity Date or beyond any earlier date on which the relevant Class of Notes fails to be redeemed in full following the giving of an Enforcement Notice or in accordance with Condition 7 (*Redemption*) and any such amount which has not then been paid in respect of the relevant Class of Notes shall thereupon become due and payable in full.

6.7 *Default Interest*

If payment of the whole or any part of the Note Principal Amount Outstanding due in respect of any Note is improperly withheld or refused when due, interest shall accrue in accordance with Clause 6.4 (*Default interest*) of the Trust Deed.

7. **Redemption**7.1 *Amortisation*

On each Payment Date on and after the Revolving Period End Date and prior to the delivery of an Enforcement Notice, the Notes will be subject to redemption, in accordance with the Pre-Enforcement Priority of Payments, sequentially in the following order: *first*, the Class A Notes in an amount equal to the excess of the Class A Notes Principal over the Class A Target Principal Amount, *second*, the Class B Notes in an amount equal to the excess of the Class B Notes Principal over the Class B Target Principal Amount, *third*, the Class C Notes in an amount equal to the excess of the Class C Notes Principal over the Class C Target Principal Amount, *fourth*, the Class D Notes in an amount equal to the excess of the Class D Notes Principal over the Class D Target Principal Amount, *fifth*, the Class E Notes in an amount equal to the excess of the Class E Notes Principal over the Class E Target Principal Amount, and, *sixth*, the Class F Notes in an amount equal to the excess of the Class F Notes Principal over the Class F Target Principal Amount.

On each Payment Date following the delivery of an Enforcement Notice, the Notes will be subject to redemption, in accordance with Condition 3.2 (*Limited Recourse*) and the Post-Enforcement Priority of Payments, sequentially in the following order: *first*, the Class A Notes until the Class A Notes are redeemed in full, *second*, the Class B Notes until the Class B Notes are redeemed in full, *third*, the Class C Notes until the Class C Notes are redeemed in full, *fourth*, the Class D Notes until the Class D Notes are redeemed in full, *fifth*, the Class E Notes until the Class E Notes are redeemed in full, and, *sixth*, the Class F Notes until the Class F Notes are redeemed in full. Each Note of a particular Class shall be redeemed on each Payment Date in an amount equal to the redemption amount allocated to such Class divided by the number of Notes in such Class.

7.2 *Legal Maturity Date*

On the Payment Date falling in November 2025 (the **Legal Maturity Date**): (i) each Class A Note shall, unless previously redeemed, be redeemed in full at its Note Principal Amount Outstanding on the Legal Maturity Date, and, (ii) after all Class A Notes have been redeemed in full, each Class B Note shall, unless previously redeemed, be redeemed in full at its Note Principal Amount Outstanding on the Legal Maturity Date, (iii) after all Class A Notes and Class B Notes have been redeemed in full, each Class C Note shall, unless previously redeemed, be redeemed in full at its Note Principal Amount Outstanding on the Legal Maturity Date, (iv) after all Class A Notes, Class B Notes and Class C Notes have been redeemed in full, each Class D Note shall, unless previously redeemed, be redeemed in full at its Note Principal Amount Outstanding on the Legal Maturity Date, (v) after all Class A Notes, Class B Notes, Class C Notes and Class D Notes have been redeemed in full, each Class E Note shall, unless previously redeemed, be redeemed in full at its Note Principal Amount Outstanding on the Legal Maturity Date, and (vi) after all Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes have been redeemed in full, each Class F Notes shall, unless previously redeemed, be redeemed in full at its Note Principal Amount Outstanding on the Legal Maturity Date, in each case subject to the limitations set forth in Condition 3.2 (*Limited Recourse*). Without prejudice to Condition 6.7 (*Default Interest*), the Issuer will be under no obligation to make any payment under the Notes in respect of any period after the Legal Maturity Date.

7.3 *Early Redemption*

- (a) On any Payment Date (prior to delivery of an Enforcement Notice) on or following (1) the Payment Date on which the Clean-Up Call Asset Amount Outstanding of the Purchased Receivables is equal to 10 per cent. or less of the aggregate Asset Amount Outstanding of the Purchased Receivables on the Closing Date or (2) the occurrence of a Regulatory Change Event, the Seller may opt under the Receivables Sale Agreement to repurchase all of the outstanding Purchased Receivables (together with any Related Collateral) at the Repurchase Price. If the Seller exercises such option, the Issuer shall apply the Repurchase Price in accordance with the Pre-Enforcement Priority of Payments to redeem the Notes to the extent amounts are available to do so. Any such repurchase and redemption are subject to the following requirements:
- (i) the Seller shall advise the Issuer and the Issuer shall notify the Trustee and the Noteholders of the Seller's exercise of the repurchase option at least one month prior to the Payment Date on which redemption is to occur (the **Early Redemption Date**);
 - (ii) the Repurchase Price to be paid by the Seller will be calculated as at the end of the Collection Period immediately preceding the Early Redemption Date; and
 - (iii) the Repurchase Price payable on the Early Redemption Date shall be sufficient, when applied in accordance with the Pre-Enforcement Priority of Payments, to redeem in full (and pay all accrued but unpaid amounts of interest) in respect of the Notes.
- (b) Upon completion of the repurchase and any redemption of the Notes described in Condition 7.3(a) above, no further amounts shall be payable by the Issuer in respect of the Notes.
- (c) In this Condition 7 (*Redemption*):

Repurchase Price means the lesser of:

- (i) the aggregate Notes Principal Amount Outstanding plus accrued but unpaid interest thereon, if any, together with all amounts ranking prior thereto in accordance with the Pre-Enforcement Priority of Payments, in each case as at the Early Redemption Date or Optional Redemption Date, as applicable; and
- (ii) the sum of (a) aggregate Asset Amount Outstanding plus accrued but unpaid interest of the Purchased Receivables that are not Defaulted Receivables or Overdue Receivables and (b) for Overdue Receivables and Defaulted Receivables, the aggregate Asset Amount Outstanding of such Purchased Receivables less the aggregate of the Specific Provisions applied to such Purchased Receivables in the accounting records of the Seller, as at the end of the Collection Period immediately preceding the Early Redemption Date.

Specific Provision means a liability recorded in the accounting records of the Seller which pertains to an allowance for the diminution of value of a specific Receivable or specific group of Receivables in accordance with the relevant accounting standards or which would do so if such Receivable(s) were held by the Seller.

7.4 *Optional Redemption for Taxation Reasons*

If the Issuer is or becomes at any time required by law or regulation to deduct or withhold from any payment in respect of the Notes any amount in respect of current or future taxes, levies or governmental charges, regardless of their nature, which are imposed under any applicable system of law or in any country which claims fiscal jurisdiction or by, or for the account of, any political subdivision thereof or government agency therein authorised to levy taxes, the Issuer shall notify the Trustee and determine within 20 calendar days of such circumstance occurring whether it would be practicable to arrange for the substitution of the Issuer in accordance with Condition 11 (*Substitution of the Issuer*) or to change its tax residence to another jurisdiction.

Subject to Condition 11 (*Substitution of the Issuer*), the Trustee shall be required to consent to such substitution or change of tax residence of the Issuer within 60 calendar days of being notified under this Condition 7.4 (*Optional Redemption for Taxation Reasons*) that such substitution or change of the tax residence would be practicable but shall not give such approval unless the Rating Agencies have indicated that such substitution or change of the tax residence of the Issuer would not negatively affect or result in a reduction, qualification or withdrawal of the then current ratings of the Notes.

If the Issuer determines that any of such measures would be practicable, it shall (i) notify the Trustee and provide it with legal opinions in respect of such substitution (if any) in form and substance satisfactory to it and (ii) effect such substitution in accordance with Condition 11 (*Substitution of the Issuer*) or (as relevant) such change of tax residence within 60 calendar days from such determination.

If, however, the Issuer 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 (and having notified the Trustee of such determination), it is unable so to avoid such deduction or withholding for or on account of tax, levies or governmental charges within such further period of 60 calendar days, then the Issuer shall inform the Seller and the Seller shall be entitled at its option (but shall have no obligation) to repurchase all of the outstanding Purchased Receivables (together with any Related Collateral) at the Repurchase Price and to require the Issuer to fully redeem all (but not some only) of the Notes on the Optional Redemption Date, upon not more than 60 calendar days' nor less than 30 calendar days' notice of redemption given to the Trustee, to the Paying Agents and, in accordance with Condition 13 (*Form of Notices*), to the Noteholders. The Repurchase Price payable on the Optional Redemption Date shall be (i) calculated as at the end of the Collection Period immediately preceding the Optional Redemption Date and (ii) sufficient, when applied in accordance with the Pre-Enforcement Priority of Payments, to redeem in full (and pay all accrued but unpaid amounts of interest) in respect of the Notes. Any such notice shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

7.5 *Purchase*

The Issuer may not purchase any Notes.

7.6 *Pre-Enforcement Priority of Payments*

On each Payment Date prior to the delivery of an Enforcement Notice and prior to the redemption of the Notes in full in accordance with the Conditions, the Available Distribution Amount shall be applied by the Cash Administrator (on behalf of the Issuer) in accordance with the following priorities (in each case, including any applicable value added tax payable thereon):

- (a) *first*, to pay *pari passu* and *pro rata* any fees, costs, expenses, indemnities and other amounts due and payable to the Trustee and any Appointee thereof;
- (b) *second*, to pay *pari passu* and *pro rata* any fees, costs, expenses, indemnities and other amounts to each of the Corporate Administrator, Transaction Account Bank, Account Bank, Principal Paying Agent, Agent Bank, Registrar and Cash Administrator, and any other expenses due and payable by the Issuer in connection with the establishment or corporate administration of the Issuer or in relation to any annual return, filing, registration and registered office or licence, and to the Insolvency Official of the Seller, following an Insolvency Event of the Seller, the Administrator Incentive Recovery Fee under the Servicing Agreement (if any);

- (c) *third*, to pay amounts due and payable to any third party creditors of the Issuer (other than any payment to any such party provided for subsequently in this Priority of Payments), which amounts have been incurred by the Issuer pursuant to the Transaction Documents and, to the extent amounts of Issuer retained profit are insufficient to cover any corporation tax due and payable, to pay such amount;
- (d) *fourth*, to pay *pari passu* and *pro rata* any fees, out-of-pocket costs, expenses and other amounts due and payable to the Servicer under the Servicing Agreement and any amounts due and payable to any replacement servicer (including any expenses, costs and fees incurred in the course of replacement) of the Purchased Receivables and the Related Collateral which may be appointed from time to time under the Servicing Agreement and any costs and expenses incurred by or on behalf of the Issuer in the event that the Issuer collects and/or services the Purchased Receivables or the Related Collateral during the process of the replacement of the Servicer;
- (e) *fifth*, to pay any amounts due and payable by the Issuer to the Seller under the Receivables Sale Agreement in respect of any required return in whole or in part of a direct debit;
- (f) *sixth*, so long as no Liquidity Draw Event is in effect and continuing, to credit the Liquidity Reserve Ledger up to the Required Liquidity Target Amount as at the Calculation Date immediately preceding such Payment Date;
- (g) *seventh*, to pay the Interest Amount in relation to the Class A Notes and any Additional Interest relating thereto to the Principal Paying Agent, for the account of the Class A Noteholders;
- (h) *eighth*, to pay the Interest Amount in relation to the Class B Notes and any Additional Interest relating thereto to the Principal Paying Agent, for the account of the Class B Noteholders;
- (i) *ninth*, to pay the Interest Amount in relation to the Class C Notes and any Additional Interest relating thereto to the Principal Paying Agent for the account of the Class C Noteholders;
- (j) *tenth*, to pay the Interest Amount in relation to the Class D Notes and any Additional Interest relating thereto to the Principal Paying Agent for the account of the Class D Noteholders;
- (k) *eleventh*, to pay the Interest Amount in relation to the Class E Notes and any Additional Interest relating thereto to the Principal Paying Agent for the account of the Class E Noteholder;

During the Revolving Period:

- (l) *twelfth*, to pay any Further Receivables Purchase Price due and payable to the Seller in accordance with the provisions of the Receivables Sale Agreement (provided that the Adjusted Aggregate Asset Amount Outstanding following such purchase of Further Receivables does not exceed the Initial Purchase Price);
- (m) *thirteenth*, to credit the Reinvestment Principal Ledger with an amount up to (1) the Initial Purchase Price minus (2) the Adjusted Aggregate Asset Amount Outstanding (following the purchase of Further Receivables contemplated by item (l) above);
- (n) *fourteenth*, to pay the Interest Amount in relation to the Class F Notes and any Additional Interest relating thereto to the Principal Paying Agent for the account of the Class F Noteholders;
- (o) *fifteenth*, to pay:
 - (i) interest (including accrued interest) due and payable under the Expenses Loan Advance, and, thereafter,
 - (ii) outstanding principal under the Expenses Loan Advance;
- (p) *sixteenth*, to pay outstanding principal under the Liquidity Reserve Loan Advance;
- (q) *seventeenth*, to retain a reserved profit for the Issuer of £300 (which the Issuer may apply to pay any corporation tax due thereon); and

- (r) *eighteenth*, to pay any amounts relating to the Deferred Consideration to the Seller in accordance with the Receivables Sale Agreement.

On and after the Revolving Period End Date:

- (l) *twelfth*, to pay the Class A Notes Principal to the Principal Paying Agent for the account of the Class A Noteholders but only until the Class A Notes Principal following such payment is equal to the Class A Target Principal Amount;
- (m) *thirteenth*, to pay the Class B Notes Principal to the Principal Paying Agent for the account of the Class B Noteholders, but only until the Class B Notes Principal following such payment is equal to the Class B Target Principal Amount;
- (n) *fourteenth*, to pay the Class C Notes Principal to the Principal Paying Agent for the account of the Class C Noteholders, but only until the Class C Notes Principal following such payment is equal to the Class C Target Principal Amount;
- (o) *fifteenth*, to pay the Class D Notes Principal to the Principal Paying Agent for the account of the Class D Noteholders, but only until the Class D Notes Principal following such payment is equal to the Class D Target Principal Amount;
- (p) *sixteenth*, to pay the Class E Notes Principal to the Principal Paying Agent for the account of the Class E Noteholders, but only until the Class E Notes Principal following such payment is equal to the Class E Target Principal Amount;
- (q) *seventeenth*, to pay the Interest Amount in relation to the Class F Notes and any Additional Interest relating thereto to the Principal Paying Agent for the account of the Class F Noteholders;
- (r) *eighteenth*, to pay the Class F Notes Principal to the Principal Paying Agent for the account of the Class F Noteholders, but only until the Class F Notes Principal following such payment is equal to the Class F Target Principal Amount;
- (s) *nineteenth*, to pay:
 - (i) interest (including accrued interest) due and payable under the Expenses Loan Advance, and, thereafter,
 - (ii) outstanding principal under the Expenses Loan Advance;
- (t) *twentieth*, to pay outstanding principal under the Liquidity Reserve Loan Advance;
- (u) *twenty-first*, to retain a reserved profit for the Issuer of £300 (which the Issuer may apply to pay any corporation tax due thereon); and
- (v) *twenty-second*, to pay any amounts relating to the Deferred Consideration to the Seller in accordance with the Receivables Sale Agreement.

On each Payment Date prior to the delivery of an Enforcement Notice and prior to the redemption of the Notes in full in accordance with the Conditions:

- (a) if a Liquidity Draw Event is continuing, an amount equal to the lower of (i) the Liquidity Shortfall and (ii) the Liquidity Reserve Maximum Drawing Limit shall be applied from amounts credited to the Liquidity Reserve Ledger as at the Calculation Date immediately preceding such Payment Date to meet any Liquidity Shortfall as a result of there being insufficient Available Distribution Amounts to pay items (a) to (k) (inclusive) of the Pre-Enforcement Priority of Payments;
- (b) the Liquidity Excess Amount shall not constitute Available Distribution Amounts and shall instead be applied to repay outstanding principal under the Liquidity Reserve Loan Advance and, upon repayment of the Liquidity Reserve Loan Advance in full, to pay Deferred Consideration directly to the Seller; and
- (c) any interest accrued on amounts credited to the Liquidity Reserve Fund as at the Calculation Date immediately preceding such Payment Date will not constitute Available Distribution Amounts and shall instead be applied to pay interest on the Liquidity Reserve Loan Advance directly to the Liquidity Reserve Loan Provider.

7.7 Post-Enforcement Priority of Payments

Either (i) following the delivery of an Enforcement Notice and prior to the full discharge of all Secured Obligations or (ii) if the Notes are redeemed in full pursuant to the Conditions, any amounts standing to the credit of the Issuer Accounts shall be applied by the Cash Administrator (on behalf of the Trustee) or by the Trustee on subsequent Payment Dates in the following order (in each case, including any applicable value added tax payable thereon):

- (a) *first*, to pay any fees, costs, expenses, indemnities and other amounts due and payable to the Trustee and any receiver or administrative receiver or other Appointee appointed in respect of the Issuer in accordance with the Deed of Charge;
- (b) *second*, to pay *pari passu* and *pro rata* any fees, out-of-pocket costs, expenses and other amounts due and payable to the Servicer under the Servicing Agreement and any amounts due and payable to any replacement servicer (including any expenses, costs and fees incurred in the course of replacement) of the Purchased Receivables and the Related Collateral which may be appointed from time to time under the Servicing Agreement and any costs and expenses incurred by or on behalf of the Issuer in the event that the Issuer collects and/or services the Purchased Receivables or the Related Collateral during the process of the replacement of the Servicer;
- (c) *third*, to pay *pari passu* and *pro rata* any fees, costs, expenses, indemnities and other amounts due and payable to each of the Cash Administrator, Transaction Account Bank, Account Bank, Principal Paying Agent, Agent Bank, Registrar, Corporate Administrator and any other amounts due and payable by the Issuer in connection with the liquidation or dissolution of the Issuer and to the Insolvency Official of the Seller, following an Insolvency Event of the Seller, the Administrator Incentive Recovery Fee under the Servicing Agreement (if any);
- (d) *fourth*, to pay:
 - (i) interest (including accrued interest) due and payable under the Expenses Loan Advance, and, thereafter,
 - (ii) outstanding principal under the Expenses Loan Advance;
- (e) *fifth*, to pay:
 - (i) interest (including accrued interest) due and payable under the Liquidity Reserve Loan Advance, and, thereafter,
 - (ii) outstanding principal under the Liquidity Reserve Loan Advance;
- (f) *sixth*, to pay the Interest Amount in relation to the Class A Notes and any Additional Interest relating thereto to the Principal Paying Agent, for the account of the Class A Noteholders;
- (g) *seventh*, to pay the Class A Notes Principal until the Note Principal Amount Outstanding of the Class A Notes has been reduced to zero, to the Principal Paying Agent for the account of the Class A Noteholders;
- (h) *eighth*, the Interest Amount in relation to the Class B Notes and any Additional Interest relating thereto to the Principal Paying Agent, for the account of the Class B Noteholders;
- (i) *ninth*, to pay the Class B Notes Principal until the Note Principal Amount Outstanding of the Class B Notes has been reduced to zero to the Principal Paying Agent, for the account of the Class B Noteholders;
- (j) *tenth*, to pay the Interest Amount in relation to the Class C Notes and any Additional Interest relating thereto to the Principal Paying Agent, for the account of the Class C Noteholders;
- (k) *eleventh*, to pay the Class C Notes Principal until the Note Principal Amount Outstanding of the Class C Notes has been reduced to zero to the Principal Paying Agent, for the account of the Class C Noteholders;

- (l) *twelfth*, to pay the Interest Amount in relation to the Class D Notes and any Additional Interest relating thereto to the Principal Paying Agent, for the account of the Class D Noteholders;
- (m) *thirteenth*, to pay the Class D Notes Principal until the Note Principal Amount Outstanding of the Class D Notes has been reduced to zero to the Principal Paying Agent, for the account of the Class D Noteholders;
- (n) *fourteenth*, to pay the Interest Amount in relation to the Class E Notes and any Additional Interest relating thereto to the Principal Paying Agent, for the account of the Class E Noteholders;
- (o) *fifteenth*, to pay the Class E Notes Principal until the Note Principal Amount Outstanding of the Class E Notes has been reduced to zero to the Principal Paying Agent, for the account of the Class E Noteholders;
- (p) *sixteenth*, to pay the Interest Amount in relation to the Class F Notes and any Additional Interest relating thereto to the Principal Paying Agent for the account of the Class F Noteholders;
- (q) *seventeenth*, to pay the Class F Notes Principal until the Note Principal Amount Outstanding of the Class F Notes has been reduced to zero to the Principal Paying Agent, for the account of the Class F Noteholders;
- (r) *eighteenth*, to retain a reserved profit for the Issuer of £300 (which the Issuer may apply to pay any corporation tax due thereon); and
- (s) *nineteenth*, to pay any remaining amounts to the Seller as Deferred Consideration in accordance with the Receivables Sale Agreement.

8. Following delivery of an Enforcement Notice, amounts credited to the Liquidity Reserve Fund shall not constitute Available Distribution Amounts and shall instead be applied to directly repay the Liquidity Reserve Loan Advance in full directly to the Liquidity Reserve Loan Provider. Amounts credited to the Liquidity Reserve Fund will only be included as Available Distribution Amounts following delivery of an Enforcement Notice and upon payment in full of the Liquidity Reserve Loan Advance. Notifications

The Principal Paying Agent shall notify the Issuer, the Seller, the Servicer, the Cash Administrator and the Trustee and on behalf of the Issuer, by means of notification in accordance with Condition 13 (*Form of Notices*), the Noteholders, and so long as any of the Notes are listed on the Official List and traded on the regulated market of the Stock Exchange, and only if required by applicable law, regulation or rules of the Stock Exchange, the Stock Exchange, with respect to each Payment Date:

- (a) of the Interest Amount pursuant to Condition 6.1 (*Interest Calculation*); and
- (b) of any deferred amounts,

due under the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

9. Principal Paying Agent; Determinations Binding

- (a) The Issuer has appointed Elavon Financial Services DAC, UK Branch as Principal Paying Agent, Agent Bank and Cash Administrator and Elavon Financial Services DAC as Registrar.
- (b) The Issuer shall procure that, for as long as any Notes are outstanding, there shall always be a Principal Paying Agent to perform the functions assigned to it in these Conditions. The Issuer may at any time, by giving not less than 30 calendar days' notice to the relevant Agent, the Trustee and the Noteholders in accordance with Condition 13 (*Form of Notices*), replace any of the Agents by one or more other banks or other financial institutions which assume its functions. Each of the Agents shall act solely as agent for the Issuer and shall not have any agency or trustee relationship with the Noteholders.
- (c) All Interest Rates and Interest Amounts determined and provided by the Principal Paying Agent by means of notification in accordance with Conditions 8 (*Notifications*) and 13 (*Form of Notices*) for the purposes of these Conditions shall, in the absence of manifest error, be final and binding.

10. Taxes

- (a) All payments in respect of the Notes will be made by the Issuer or the applicable Paying Agent (as the case may be) after the deduction and withholding of current or future taxes, levies or governmental charges, regardless of their nature (collectively, **taxes**), which are imposed, levied or collected under any applicable system of law or in any country which claims fiscal jurisdiction or by, or for the account of, any political subdivision thereof or government agency therein authorised to levy taxes, to the extent that such deduction or withholding is required by law. The Issuer or the applicable Paying Agent (as the case may be) shall account for the deducted or withheld taxes to the competent government agencies and shall, upon request of a Noteholder, provide proof thereof. None of the Issuer, the applicable Paying Agent or any other person is obliged to pay any additional amounts in respect of any amount so deducted or withheld.
- (b) Notwithstanding any other provision in these Conditions, the Issuer and any Paying Agent shall be permitted to withhold or deduct any amounts required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. None of the Issuer, the applicable Paying Agent or any other person is obliged to pay additional amounts or otherwise indemnify a Noteholder or any other person for any such amounts deducted or withheld by the Issuer, any Paying Agent or any other party as a result of any person not being entitled to receive payments free of such withholding or deduction.

11. Substitution of the Issuer

- (a) If, in the determination of the Issuer or as a result of any enactment of or supplement or amendment to, or change in, the laws of any relevant jurisdiction or as a result of an official communication of a previously not existing or not publicly available official interpretation, or a change in the official interpretation, implementation or application of such laws that becomes effective on or after the Closing Date:
 - (i) the Issuer would, for reasons beyond its control, and after taking reasonable measures (such measures not involving any material additional payment or other expenses), be materially restricted from performing any of its obligations under the Notes or the Transaction Documents to which it is a party; or
 - (ii) the Issuer would, for reasons beyond its control, and after taking reasonable measures (such measures not involving any material additional payment or other expenses), (A) be required to make any withholding or deduction for or on account of tax in respect of any payments on the Notes and/or receive any material payments pursuant to the Transaction Documents subject to any withholding or deduction for or on account of tax for which it is not compensated or (B) cease to be subject to corporation tax in accordance with regulations 14 to 21 of the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296),

then, without prejudice to Condition 7.4 (*Optional Redemption for Taxation Reasons*), the Issuer shall inform the Trustee accordingly and shall, if the Issuer determines such measures practicable, in order to avoid the relevant event described in paragraph (i) or (ii) above, arrange the substitution of the Issuer with a company incorporated in another jurisdiction in accordance with the terms of the Trust Deed, change its tax residence to another jurisdiction or effect any other measure suitable to avoid the relevant event described in paragraph (i) or (ii) above.

- (b) *Substitution of Issuer*

The Trustee may, without the consent of any Noteholder or other Secured Creditor, concur with the Issuer in substituting in place of the Issuer a Substituted Obligor as the principal debtor in respect of the Trust Documents, the Notes and the Secured Amounts, subject to such further conditions as are specified in the Trust Deed (including notification of the substitution to the Rating Agencies and indication from the Rating Agencies that the Notes will not be downgraded).

- (c) *Notice of Substitution of Issuer*

Not later than fourteen days after the execution of any documents required to be executed pursuant to Clause 16.1 (*Procedure for Substitution*) of the Trust Deed and after compliance with any requirements

of the Trustee under this Condition 11 (*Substitution of the Issuer*) and/or Clause 16 (*Substitution*) of the Trust Deed, the Substituted Obligor shall cause notice thereof to be given to the Noteholders and the other Secured Creditors in accordance with Condition 13 (*Form of Notices*) and the relevant Transaction Documents.

(d) *No Indemnity*

No Noteholder shall, in connection with any such substitution, be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon individual Noteholders.

12. Meetings of Noteholders, Modifications, Waiver, Substitution and Exchange

(a) *Meetings of Noteholders*

(i) The Trust Deed contains provisions for convening separate and joint meetings of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders to consider any matter affecting their interests, including the sanctioning by an Extraordinary Resolution of a modification or waiver of any of the provisions of the Trust Deed, the Deed of Charge, any other Transaction Document or these Conditions. Any Extraordinary Resolution in respect of a Reserved Matter must be approved by separate meetings of each Class of Noteholders affected thereby.

(ii) In respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, the quorum at any meeting for passing an Extraordinary Resolution not related to a Reserved Matter will be two or more persons holding or representing more than 50 per cent. of the Aggregate Note Principal Amount Outstanding of the Notes of the relevant Class or Classes or, at any adjourned meeting, two or more persons holding or representing more than 25 per cent. of the Aggregate Note Principal Amount Outstanding of the Notes of the relevant Class or Classes. In relation to Reserved Matters, the quorum for passing an Extraordinary Resolution will be two or more persons holding or representing in aggregate at least 75 per cent. of the Aggregate Note Principal Amount Outstanding of the Notes of the relevant Class or Classes, or at any adjourned such meeting two or more persons holding or representing in aggregate at least 33 $\frac{1}{3}$ per cent. of the Aggregate Note Principal Amount Outstanding of the Notes of the relevant Class or Classes.

(A) An Extraordinary Resolution passed at any meeting of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders or the Class F Noteholders, as applicable, will be binding on all Class A Noteholders, all Class B Noteholders, all Class C Noteholders, all Class D Noteholders, all Class E Noteholders or all Class F Noteholders, as applicable, whether or not they were present at such meeting **provided that** a Reserved Matter must be approved by an Extraordinary Resolution of each Class of Noteholders affected thereby.

(B) A **Reserved Matter** means any proposal:

- (1) changing any date fixed for payment of principal or interest in respect of the Notes of any Class, or to reduce the amount of principal or interest due on any date in respect of the Notes;
- (2) changing the amount required to redeem the Notes of any Class, or the amount of interest payable on the Notes of any Class;
- (3) changing the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;
- (4) releasing or substituting the Security or any part thereof except in accordance with the Transaction Documents;

- (5) (except in accordance with Condition 11 (*Substitution of the Issuer*)) effecting the exchange, conversion or substitution of the Notes of any Class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
 - (6) changing the currency in which amounts due in respect of the Notes of any Class are payable;
 - (7) altering the Priority of Payments in respect of the Notes;
 - (8) changing the quorum at any meeting or the majority required to pass an Extraordinary Resolution; or
 - (9) altering this definition.
- (iii) An Extraordinary Resolution of any Class of Notes to approve any matter other than a Reserved Matter will not be effective unless sanctioned by an Extraordinary Resolution of the Controlling Class and any Extraordinary Resolution passed by the Controlling Class (except in relation to a Reserved Matter) shall be binding on the other Classes. The **Controlling Class** means the Class A Notes so long as any Class A Notes are outstanding, after the Class A Notes have been repaid in full, the Class B Notes then outstanding, after the Class B Notes have been repaid in full, the Class C Notes then outstanding, after the Class C Notes have been repaid in full, the Class D Notes then outstanding, after the Class D Notes have been repaid in full, the Class E Notes then outstanding, and after the Class E Notes have been repaid in full, the Class F Notes then outstanding.

(b) *Resolutions in Writing*

A Written Resolution signed by or on behalf of one or more persons holding not less than 75 per cent. of the Aggregate Note Principal Amount Outstanding of the Notes outstanding of the relevant Class or Classes shall take effect as if it were an Extraordinary Resolution.

(c) *Modifications*

- (i) The Trustee may without any consent or sanction of the Noteholders or any of the other Secured Creditors at any time and from time to time concur with the Issuer in making any modification to the Trust Documents, the Conditions or any other Transaction Document to which it is a party or in relation to which it holds security (other than in respect of a Reserved Matter for which an Extraordinary Resolution of each Class of Noteholders affected thereby approving such modification will be required) if the Trustee is of the opinion that (a) such modification will not be materially prejudicial to the interests of the Controlling Class (and, for the avoidance of doubt, the Trustee shall be entitled to assume, without further investigation or inquiry, that such modification will not be materially prejudicial to the interests of the Controlling Class if a Rating Agency Confirmation is provided by each of the Rating Agencies in accordance with Condition 14.4 (*Confirmation from Rating Agencies*)), or (b) such modification is of a formal, minor or technical nature or is made to correct a manifest error, or an error which is, in the opinion of the Trustee, proven or is to comply with mandatory provisions of law.
- (ii) Notwithstanding the provisions of Condition 12(c)(i) (*Modifications*) or Condition 12(d) (*Waiver*), the Trustee shall be obliged, without any consent or sanction of the Noteholders or any of the other Secured Creditors, to concur with the Issuer in making any modification (other than in respect of a Reserved Matter, for which an Extraordinary Resolution of each Class of Noteholders affected thereby approving such modification will be required) to the Trust Documents, these Conditions or any other Transaction Document to which it is a party or in relation to which it holds security that the Issuer considers necessary:
 - (A) 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:

- I. the Servicer, on behalf of the Issuer, certifies in writing to the Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement or reflect such criteria; and
 - II. in the case of any modification to a Transaction Document proposed by any of the Account Bank, the Cash Administrator or the Transaction Account Bank in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):
 - i. the Account Bank, the Cash Administrator or the Transaction Account Bank, as the case may be, certifies in writing to the Issuer and the Trustee that such modification is necessary for the purposes described in paragraph II(x) and/or (y) above; and
 - ii. with respect to each Rating Agency, either:
 - a. the Account Bank, the Cash Administrator or the Transaction Account Bank, as the case may be, obtains from such Rating Agency written confirmation that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Notes by such Rating Agency or (y) such Rating Agency placing the Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer and the Trustee; or
 - b. the Servicer, on behalf of the Issuer, certifies in writing to the Trustee that it has notified such Rating Agency of the proposed modification and, in its opinion, formed on the basis of due consideration and consultation with such Rating Agency (including, as applicable, upon receipt of oral confirmation from an appropriately authorised person at such Rating Agency), such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Notes by such Rating Agency or (y) such Rating Agency placing the Notes on rating watch negative (or equivalent); or
- (B) for the purpose of enabling the transactions effected by the Transaction Documents to constitute a transfer of significant credit risk within the meaning of Article 243(2) of the CRR, provided that the Servicer, on behalf of the Issuer, certifies to the Trustee in writing that such modification is required solely for such purpose;

(the certificate to be provided by the Servicer, on behalf of the Issuer or the relevant Transaction Party, as the case may be, pursuant to sub-paragraphs (A) or (B) above, being a **Modification Certificate**), provided that, in the case of any modification made pursuant to sub-paragraph (A) or (B) above:

- I. at least 30 days' prior written notice of any such proposed modification has been given to the Trustee;
- II. the Modification Certificate in relation to such modification is provided to the Trustee both at the time the Trustee is notified of the proposed modification and on the date that such modification takes effect;
- III. the consent of each Secured Creditor which is party to the relevant Transaction Document or which has a right to consent to such modification pursuant to the provisions of the relevant Transaction Document has been obtained;
- IV. the person who proposes such modification pays (or arranges for the payment of) all fees, costs and expenses (including legal fees) incurred by the Issuer and the Trustee and each other applicable party including, without limitation, any of the Agents, the

Account Bank and the Transaction Account Bank, in connection with such modifications;

- V. other than in the case of a modification pursuant to paragraph (A) II above, with respect to each Rating Agency, either:
- i. the Issuer obtains from such Rating Agency written confirmation that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Notes by such Rating Agency or (y) such Rating Agency placing the Notes on rating watch negative (or equivalent); or
 - ii. the Issuer certifies in writing to the Trustee that it has notified such Rating Agency of the proposed modification and, in its opinion, formed on the basis of due consideration and consultation with such Rating Agency (including, as applicable, upon receipt of oral confirmation from an appropriately authorised person at such Rating Agency), such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Notes by such Rating Agency or (y) such Rating Agency placing the Notes on rating watch negative (or equivalent); and
- VI. the Issuer has provided at least 30 days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 13 (*Form of Notices*) and by publication on Bloomberg on the "Company News" screen relating to the Notes, and (ii) Noteholders representing at least 10 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class then outstanding have not contacted the 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 Trustee that such Noteholders do not consent to the modification.

If Noteholders representing at least 10 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class then outstanding have notified the 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 that such Noteholders do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Controlling Class then outstanding is passed in favour of such modification in accordance with Condition 12(a)(ii) (*Meetings of Noteholders*) or Condition 12(b) (*Resolutions in Writing*).

Objections made in writing other than through the applicable Clearing System must be accompanied by evidence to the Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

- (iii) When implementing any modification in accordance with Condition 12(c)(ii) (save to the extent the Trustee considers that the proposed modification relates to a Reserved Matter, for which an Extraordinary Resolution of each Class of Noteholders affected thereby approving such modification will be required), the 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 investigation on any certificate or evidence provided to it by the Issuer, the Servicer or the relevant Transaction Party, as the case may be, pursuant to Condition 12(c)(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.
- (iv) The Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Trustee, would have the effect of (a) exposing the Trustee to any liability against which it has not been indemnified and/or prefunded and/or secured to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, rights or indemnities, of the Trustee in the Transaction Documents and/or these Conditions.
- (v) Any modification made to the Trust Documents, the Conditions or any other Transaction Document falling outside the scope of Condition 12(c)(i) and (ii) above will require the

consent of Noteholders of the Controlling Class by Extraordinary Resolution in accordance with these Conditions (other than in respect of a Reserved Matter, for which an Extraordinary Resolution of each Class of Noteholders affected thereby will be required).

- (vi) No modification referred to in this Condition 12(c) (*Modifications*) may increase or reduce in any manner the amount of, or accelerate or delay the timing of, or change the allocation or priority of, collections or distributions that are required to be made for the benefit of the Secured Creditors without the consent of all of the affected Secured Creditors (except in respect of the Noteholders and a Reserved Matter as set forth under Condition 12(a)(ii)(B) above).
- (vii) Unless the Trustee agrees otherwise, the Issuer shall notify, or shall cause notice thereof to be given to, the Noteholders and the other Secured Creditors of any such modifications in accordance with Condition 13 (*Form of Notices*) as soon as practicable thereafter.

(d) *Waiver*

The Trustee may at any time and from time to time in its sole discretion, without the consent or sanction of the Noteholders or any other Secured Creditor, authorise or waive any proposed or actual breach of any of the covenants or provisions contained in the Trust Documents, the Conditions or any other Transaction Documents (including, without limitation, an Issuer Event of Default) if, in the opinion of the Trustee, such authorisation or waiver will not be materially prejudicial to the interests of the Controlling Class (and, for the avoidance of doubt, the Trustee shall be entitled to assume, without further investigation or inquiry, that such authorisation or waiver will not be materially prejudicial to the interests of the Controlling Class if a Rating Agency Confirmation is provided by each of the Rating Agencies in accordance with Condition 14.4 (*Confirmation from Rating Agencies*)), except as set forth in clause (i) below.

- (i) The Trustee shall not authorise or waive any proposed or actual breach pursuant to this Condition 12.6(d) (*Waiver*):
 - (A) relating to a Reserved Matter, unless the holders of each Class of Notes then outstanding affected thereby have by Extraordinary Resolution consented to such authorisation or waiver; or
 - (B) in contravention of (1) any express direction by an Extraordinary Resolution of the holders of the Controlling Class or (2) a request or direction in writing made by holders of the Controlling Class holding more than 50 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class; **provided that** no such direction or request shall affect any authorisation or waiver previously given or made by the Trustee.
- (ii) Unless the Trustee agrees otherwise, the Issuer shall notify, or shall cause notice thereof to be given to, the Noteholders and the other Secured Creditors of any such authorisation or waiver in accordance with Condition 13 (*Form of Notices*) as soon as practicable thereafter.

(e) *Binding Nature*

Any authorisation, waiver or modification referred to in this Condition 12 (*Meetings of Noteholders, Modifications, Waiver, Substitution and Exchange*) shall be binding on the Noteholders and the other Secured Creditors.

13. **Form of Notices**

So long as the Notes are listed on the Official List and traded on the regulated market of the Stock Exchange and the rules of the Stock Exchange so permit, all notices relating to the Notes shall be published by delivery to the applicable clearing system. Any such notice shall be deemed to have been given to all Class A Noteholders, Class B Noteholders, Class C Noteholders, Class D Noteholders, Class E Noteholders and Class F Noteholders, as applicable, on the same day that such notice was delivered to the applicable clearing system. Notices relating to the Notes may also be published on the announcements section of the website of the Stock Exchange, on the applicable page of the Reuters screen, Bloomberg screen or any other medium for electronic display of data as may be approved by the Trustee.

14. **Miscellaneous**

14.1 *Trustee's Right to Indemnity*

Under the Transaction Documents, the Trustee is entitled to be indemnified and/or prefunded and/or secured and relieved from responsibility in certain circumstances and to be paid or reimbursed for any liabilities incurred by it in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer or any other party and any entity relating to the Issuer without accounting for any profit.

14.2 *Trustee Not Responsible for Loss or for Monitoring*

The Trustee shall not be responsible for monitoring the compliance by any of the other Transaction Parties with their obligations under the Transaction Documents.

14.3 *Regard to Classes of Noteholder*

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will:

- (a) have regard to the interests of each Class of Noteholders as a Class and will not be responsible for any consequence for individual Noteholders as a result of such holders being domiciled or resident in, or otherwise connected in any way with, or subject to the jurisdiction of, a particular territory or taxing jurisdiction; and
- (b) in the event of a conflict of interests of holders of different Classes, have regard only to the holders of the Controlling Class of outstanding Notes and will not have regard to any other Class of Notes nor to the interests of the other Secured Creditors except to ensure the application of the Issuer's funds after the delivery of an Enforcement Notice in accordance with the Post-Enforcement Priority of Payments.

14.4 *Confirmation from Rating Agencies*

In respect of the exercise of any right, power, duty or discretion as contemplated hereunder, the Trustee will be entitled to take into account any written confirmation or affirmation (in any form acceptable to the Trustee) from the relevant Rating Agencies that the then current ratings of the Notes will not be reduced, qualified or withdrawn thereby (a **Rating Agency Confirmation**).

If:

- (a) a Rating Agency Confirmation 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 Rating Agency Confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Trustee) and one Rating Agency (such Rating Agency, a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation or response necessary in the circumstances or, within 30 days of delivery of such request, elicits no confirmation, response or statement by such Rating Agency that such confirmation or response could not be given; and
- (c) one Rating Agency gives such Rating Agency Confirmation or response based on the same facts,

then such condition shall be deemed to be modified with respect to the facts set out in the request referred to in (b) above so that there shall be no requirement for the Rating Agency Confirmation or response from the Non-Responsive Rating Agency.

The Trustee shall be entitled to treat as conclusive a certificate by any director, officer or employee of the Issuer, the Servicer, any investment bank or financial adviser acting in relation to the Notes as to any matter referred to in (b) above, in the absence of manifest error or the Trustee having facts contradicting such certificate specifically drawn to its attention, and the Trustee shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result.

14.5 *Cancellation*

All Notes redeemed in full in accordance with Condition 7 (*Redemption*) and all Global Notes lost, stolen, destroyed or damaged and surrendered in accordance with Condition 14.6 (*Replacement of Global Notes*) will be cancelled forthwith by the Issuer (or the Principal Paying Agent on its behalf) in accordance with the Agency Agreement and may not be reissued or resold.

14.6 *Replacement of Global Notes*

If any Global Note is lost, stolen, damaged or destroyed, it may be replaced by the Issuer upon payment by the claimant of the costs arising in connection therewith. As a condition of replacement, the Issuer may require the fulfilment of certain conditions, the provision of proof regarding the existence of indemnification and/or the provision of adequate collateral. In the event of any of the Global Notes being damaged, such Global Note shall be surrendered before a replacement is issued.

14.7 *Governing Law*

Each of the Trust Deed, the Deed of Charge, the Global Notes and the Conditions (and, in each case, any non-contractual obligations, arising out of or in connection therewith) are and will be governed by, and construed in accordance with, English law.

14.8 *Jurisdiction*

The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Deed of Charge, the Global Notes and the Conditions. The Issuer hereby submits to the jurisdiction of such courts. Such courts shall have exclusive jurisdiction over the annulment of the Global Notes in the event of their loss or destruction.

14.9 *Prescription*

- (a) **Principal:** Claims for principal in respect of Notes shall become void where application for payment is made more than ten years after the due date therefor.
- (b) **Interest:** Claims for interest in respect of Notes shall become void where application for payment is made more than five years after the due date therefor.

OVERVIEW OF THE TRANSACTION DOCUMENTS

The description 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 and the Conditions of the Notes. Prospective Noteholders may inspect a copy of each of the Transaction Documents upon request at the specified office of the Principal Paying Agent.

Receivables Sale Agreement

On any Purchase Date, commencing with the Initial Purchase Date and thereafter on any Further Purchase Date, the Issuer will purchase the Purchased Receivables and the Related Collateral from the Seller pursuant to the Receivables Sale Agreement. The Issuer will be entitled to payments in respect of the Purchased Receivables received on or after the relevant Reference Date preceding the given Purchase Date.

To be eligible for sale to the Issuer each Receivable and any part thereof will have to comply with all of the Eligibility Criteria set out in “*Description of the Portfolio—Eligibility Criteria*”. The Seller represents, undertakes and warrants on each Purchase Date that the Purchased Receivables, the Related Collateral and the related Underlying Agreements are in compliance with the Eligibility Criteria set out in the Receivables Sale Agreement.

The sale and transfer of the Purchased Receivables and Related Collateral by the Seller for the Purchase Price will constitute a sale without recourse. The Seller will not bear the risk of the inability of any Customers to pay under the relevant Underlying Agreement.

The sale and transfer of the Scottish Receivables and Related Collateral by the Seller to the Issuer on the Initial Purchase Date, and thereafter on a Further Purchase Date, will be given effect to by Scottish Transfers entered into on each of the Closing Date and each Further Purchase Date, pursuant to which the Seller’s beneficial interest in the Scottish Receivables and Related Collateral will be transferred to the Issuer.

During the Revolving Period, the Seller may sell and assign specified Further Receivables and their Related Collateral to the Issuer on given Further Purchase Dates. These Further Receivables (including Scottish Receivables) and their Related Collateral will be specified in a Notice of Sale furnished to the Issuer and will comply in all respects with the Eligibility Criteria. Such Further Receivables will be purchased by the Issuer from Available Distribution Amounts designated for that purpose in the Pre-Enforcement Priority of Payments.

The Revolving Period, within which such Further Receivables may be sold, commences on (and includes) the Closing Date and ends on (but excludes) the Revolving Period End Date.

The Seller will make, among others, the following representations and warranties (which form part of the Seller Asset Warranties) to the Issuer with respect to the Purchased Receivables on each Purchase Date:

- (i) *Compliance with Eligibility Criteria*: Each Purchased Receivable and each Underlying Agreement complies in all respects with the Eligibility Criteria on its Purchase Date (see “*Eligibility Criteria*”);
- (ii) *Status*: Each Underlying Agreement was entered into on the terms of one of the Standard Form Underlying Agreements without alteration or addition to the form (other than the form being completed in accordance with the Seller’s policies);
- (iii) *No Customer Default*: So far as the Seller is aware, there is no material default, breach or violation under any Underlying Agreement which has not been remedied and which either (i) affects the amount or Collectability of the Receivables, or (ii) causes the relevant Purchased Receivable not to comply with the Eligibility Criteria;
- (iv) *Insurance*: The terms of each Underlying Agreement require the Customer thereunder to insure the related Financed Vehicle on a continuous and uninterrupted basis for at least its day-to-day replacement value and against claims for injury, loss or damage caused by the Financed Vehicle or its use;
- (v) *Fraud by the Customer*: No Underlying Agreement has, to the best of the Seller’s knowledge, (a) been entered into fraudulently by the related Customer; or (b) been passed to the claims or legal department or referred to external lawyers other than in respect of the issue by the Seller of letters demanding payment which are issued in the ordinary course of business;

- (vi) *Fraud by the Seller*: To the best of the Seller's knowledge, no Underlying Agreement has been entered into as a consequence of any conduct constituting fraud, misrepresentation, duress or undue influence by the Seller, its directors, officers or employees;
- (vii) *Modification*: No Underlying Agreement has been subject to any variation, amendment, modification, waiver or exclusion of any kind which in any material way adversely affects the terms of the related Purchased Receivable or its enforceability or Collectability; and
- (viii) *No Termination or Right of Rescission*: No Underlying Agreement has been frustrated nor has any event occurred which would make any Underlying Agreement subject to force majeure or any right of rescission and there is no right or entitlement of any kind for the non-payment of the full amount of any Purchased Receivable under the relevant Underlying Agreement when due and no Underlying Agreement has been terminated as of the Initial Purchase Date or Further Purchase Date on which the related Purchased Receivable was purchased.

A breach of any representation described above and additional Seller Asset Warranties set forth in the Receivables Sale Agreement that materially and adversely affects the Issuer's interest in the affected Purchased Receivable (without regard to credit enhancement if any) and, if such breach is capable of remedy, is not remedied within the grace period specified below, is considered a Seller Asset Warranty Breach. A Purchased Receivable subject to a Seller Asset Warranty Breach is referred to as a **Non-Compliant Receivable**.

Upon the occurrence of a Seller Asset Warranty Breach, unless such Seller Asset Warranty Breach has occurred because a Purchased Receivable is found not to exist, the Seller shall repurchase the related Non-Compliant Receivable at the Non-Compliant Receivable Repurchase Price. In the case of a Seller Asset Warranty Breach which is due to a breach of the Concentration Limits (see "*Glossary of Defined Terms*" for a summary of the Concentration Limits), the Seller will repurchase, at the Non-Compliant Receivable Repurchase Price, a random selection of relevant Purchased Receivables in an amount sufficient to remedy such breach of the relevant Concentration Limit.

If a breach capable of becoming a Seller Asset Warranty Breach is capable of remedy, the Issuer shall select a date for the repurchase of the Non-Compliant Receivable, in any event to be no earlier than the 30th Business Day following the Seller becoming actually aware, or being notified, of such breach, in order to give the Seller time to remedy the breach. If the Seller does not remedy the breach within that time period, it shall repurchase the Non-Compliant Receivable on the date selected by the Issuer.

If a breach capable of becoming a Seller Asset Warranty Breach is not capable of remedy, the Seller shall repurchase the Non-Compliant Receivable no later than the 30th Business Day following the Seller becoming actually aware, or being notified, of such breach.

If a Purchased Receivable is found not to exist, the Seller will not be obliged to repurchase such non-existent Purchased Receivable but will instead be required to indemnify the Issuer in an amount calculated by the Servicer as equal to the portion of the Purchase Price related to the relevant Purchased Receivable. Such indemnified amount shall be due and payable by the Seller within ten Business Days of receipt of a written notice of such breach in respect of the non-existent Purchased Receivable from the Issuer.

In addition, following a breach of any Seller Warranty (excluding a Seller Asset Warranty), the Seller shall promptly (but in any event within one Business Day) notify the Issuer. Within five Business Days of notification by the Seller, the Issuer (or the Cash Administrator acting on its behalf) will calculate and notify the Seller of the amount of the Compensation Payment (if any) in respect of such breach.

The Seller must pay the Compensation Payment to the Issuer within 10 Business Days of notification by the Issuer. If the Seller objects to the amount of the Compensation Payment, the Seller may negotiate with the Issuer. If an amicable decision cannot be reached, an independent accountant must be appointed by the Issuer and the Seller to determine the amount of the Compensation Payment.

Pursuant to the Receivables Sale Agreement, the Seller further provides certain undertakings to the Issuer in respect of the assets comprising the Portfolio, including that it will not cause any steps to be taken in respect of the Purchased Receivables and Related Collateral, save in accordance with the Underlying Agreements, the Transaction Documents and applicable law, which would involve the novation or the modification or waiver of any material provision of any Underlying Agreement other than any Permitted Variation effected in accordance with the Credit and Collection Policy. Where the Seller makes, in the ordinary course of business, a Non-Permitted Variation, the Seller may also direct the Issuer to sell the relevant Purchased Receivable and its Related Collateral to the Seller. Such Purchased Receivable and Related Collateral which are the subject of the Non-Permitted Variation shall constitute a Non-Compliant Receivable and be repurchased by the Seller at the Non-Compliant Receivable Repurchase Price.

In addition, the Transaction Documents do not require the Seller to purchase the Notes under any circumstances and the Seller covenants in the Receivables Sale Agreement that, if it purchases any Notes or other positions in the securitisation constituted by the Transaction Documents, such purchases will be exceptional and may only be made at arm's length.

Notification of Change to Underwriting Standards

Pursuant to the Receivables Sale Agreement, the Seller undertakes, prior to the end of the Revolving Period, to immediately notify the Trustee in writing if it materially alters, amends or makes any material change to the Standard Form Underlying Agreements or amends its underwriting policy to significantly deviate from the policies SC UK has in place from time to time in connection with its business of originating auto loans.

Insurance and Financed Vehicles

The proceeds of any insurance claims in respect of a Financed Vehicle form part of the Related Collateral. Any insurance proceeds received by the Seller or the Servicer in respect of damage to such Financed Vehicle will be used towards the repair of such damaged Financed Vehicle or, if incapable of repair, included in Collections and applied towards repayment under the relevant Underlying Agreement.

Notification of Assignment

Following the occurrence of a Notification Event, the Trustee may require the Seller to deliver (or cause to be delivered) a Notification Event Notice to each Customer notifying them of the assignment and transfer of the Purchased Receivables and Related Collateral by it to the Issuer. Should the Seller fail to deliver (or cause to be delivered) a Notification Event Notice within five Business Days of being requested to do so by the Issuer, the Issuer (or the Servicer) may (at the Seller's cost), deliver such Notification Event Notice itself. Following delivery of such Notification Event Notice, each Customer will be required to make all payments to the Transaction Account in order to obtain valid discharge of its payment obligations in respect of the related Underlying Agreement.

Clean-Up Call Option

On any Payment Date (prior to delivery of an Enforcement Notice) on or following the Payment Date on which the Clean-Up Call Asset Amount Outstanding of the Purchased Receivables is equal to 10 per cent. or less of the aggregate Asset Amount Outstanding of the Purchased Receivables on the Closing Date, the Seller may opt under the Receivables Sale Agreement to repurchase all of the outstanding Purchased Receivables (together with any Related Collateral) at the Repurchase Price. If the Seller exercises the Clean-Up Call Option, the Issuer shall apply the Repurchase Price in accordance with the Pre-Enforcement Priority of Payments to redeem the Notes (subject to the requirements set out in Condition 7.3 (*Early Redemption*)). The exercise of the Clean-Up Call Option will be subject to there being sufficient proceeds from the Repurchase Price to redeem the Notes in full and to pay all amounts ranking prior thereto in accordance with the Pre-Enforcement Priority of Payments. See Condition 7.3 (*Early Redemption*).

The Issuer will retransfer the Purchased Receivables and Related Collateral to the Seller upon receipt of the full Repurchase Price. The resale and retransfer will be without any recourse against, or warranty or guarantee of, the Issuer. See "*Terms and Conditions of the Notes—Redemption—Early Redemption*".

Tax Call Option

If the Issuer determines that it is unable to avoid a deduction or withholding as described in Condition 7.4 (*Optional Redemption for Taxation Reasons*), the Issuer shall inform the Seller and the Seller shall be entitled at its option (but shall have no obligation) to repurchase all of the outstanding Purchased Receivables (together with any Related Collateral) at the Repurchase Price and to require the Issuer to fully redeem all (but not some only) of the Notes on the Optional Redemption Date. The Repurchase Price payable on the Optional Redemption Date shall be (i) calculated as at the end of the Collection Period immediately preceding the Optional Redemption Date and (ii) sufficient, when applied in accordance with the Pre-Enforcement Priority of Payments, to redeem in full (and pay all accrued but unpaid amounts of interest) in respect of the Notes.

The Issuer will retransfer the Purchased Receivables and Related Collateral to the Seller upon receipt of the full Repurchase Price. The resale and retransfer will be without any recourse against, or warranty or guarantee of, the Issuer. See "*Terms and Conditions of the Notes—Redemption—Optional Redemption for Taxation Reasons*".

Regulatory Change Event Call Option

On any Payment Date (prior to delivery of an Enforcement Notice) on or following the occurrence of a Regulatory Change Event, the Seller may opt under the Receivables Sale Agreement to repurchase all of the outstanding Purchased Receivables (together with any Related Collateral) at the Repurchase Price. If the Seller exercises such option, the Issuer shall redeem the Notes in full (subject to the requirements set out in Condition 7.3 (*Early Redemption*)). The exercise of the Regulatory Change Event Call Option will be subject to there being sufficient proceeds from the Repurchase Price to redeem the Notes in full and to pay all amounts ranking prior thereto in accordance with the Pre-Enforcement Priority of Payments. See Condition 7.3 (*Early Redemption*).

The Issuer will retransfer the Purchased Receivables and Related Collateral to the Seller upon receipt of the full Repurchase Price. The resale and retransfer will be without any recourse against, or warranty or guarantee of, the Issuer. See “*Terms and Conditions of the Notes—Redemption—Early Redemption*”.

Servicing Agreement

Pursuant to the Servicing Agreement, the Servicer will be appointed to service the Purchased Receivables and the Related Collateral, collect and, if necessary, enforce or otherwise realise the Purchased Receivables and enforce the Related Collateral and pay all proceeds to the Issuer. The Servicer will act as agent of the Issuer under the Servicing Agreement.

Servicer’s Duties

Under the Servicing Agreement, the Servicer will, in accordance with the procedures described in the Credit and Collection Policy (see “*Credit and Collection Policy*”), perform certain servicing and ancillary duties (the **Services**):

- endeavour at its own expense to recover amounts due from the Customers;
- keep and maintain records, account books and documents in relation to the Purchased Receivables and the Related Collateral identifiable as belonging to the Issuer;
- hold all Records relating to the Purchased Receivables in its possession to the order of the Issuer;
- assist the Issuer in discharging any Related Collateral in respect of any Purchased Receivables which have been paid;
- exercise the Enforcement Procedures;
- pay the proceeds of any Enforcement Procedures to the Issuer as Collections; and
- prepare and make available, on a monthly basis, the Monthly Report and Investor Report containing updated information with respect to the Portfolio.

The Servicer will perform the Services and its obligations under the Transaction Documents to which it is a party with all due care, skill and diligence and in good faith and exercise a level of skill, care and attention as it would if it were managing comparable assets for itself and in accordance with practices and procedures generally followed by a reasonably prudent servicer of auto loans and conditional sale contracts, acting reasonably. The Servicer will ensure that it has all required licences, approvals, authorisations, registrations and consents which are necessary for the performance of its duties under the Servicing Agreement.

The Issuer shall pay the Servicer, on each Payment Date, an amount (inclusive of VAT, if any) equal to 0.75 per cent. per annum of the Aggregate Asset Amount Outstanding on the previous Calculation Date.

Use of Third Parties

The Servicer may appoint a sub-contractor to carry out the Services, **provided that** the Servicer shall:

- use reasonable skill to select a sub-contractor;
- remain responsible for the Services and not be discharged from any liability under the Servicing Agreement (further, no liability shall arise on behalf of the Issuer or the Trustee for any termination of a sub-contract);
- ensure any sub-contractor acknowledges monies belonging to the Issuer are held on trust for the Issuer and acknowledges ownership by the Issuer or the Trustee of assets belonging to the Issuer or the Trustee; and

- not enter into a new sub-contract if it would lead to a reduction, qualification or withdrawal of the ratings of the Notes.

Cash Collection Arrangements Following a Notification Event Notice

Following receipt by the Customers of a Notification Event Notice, Customers shall make payments directly to any Successor Servicer or the Transaction Account. If the Servicer receives any Collections following delivery of a Notification Event Notice, it will hold such Collections on trust until it transfers all amounts to the Transaction Account, or to an account at the direction of the Issuer. All payments will be made free of all bank charges and costs and without withholding or deduction for or on account of tax (unless required by law).

Information and Regular Reporting

The Servicer will use all reasonable endeavours to safely maintain records in relation to each Purchased Receivable in computer readable form.

The Servicer shall, on or before each Reporting Date, deliver a Monthly Report relating to the previous Collection Period to the Issuer, the Trustee, the Cash Administrator and, where the Servicer is not SC UK, the Seller, and certify whether any Notification Event or Servicer Termination Event has occurred.

To the extent reasonably practicable and in addition to those reports required to be produced by the Servicer in accordance with the Servicing Agreement, the Servicer shall, subject to any applicable law or regulation (including the protection of each Customer's personal data), prepare and deliver to the Issuer, the Cash Administrator, the Trustee and the Registrar such further information and/or reports whether in writing or otherwise as the Issuer, the Cash Administrator and the Trustee may reasonably require, and on reasonable notice, in connection with the Services and the performance of their duties, under the Transaction Documents.

The Servicer will prepare, on a monthly basis, an Investor Report in respect of each Collection Period. The Servicer will deliver the Investor Report to the Issuer, the Trustee, the Cash Administrator, the Back-up Servicer Facilitator and each Rating Agency no later than 12:00 noon (London time) on the second Business Day prior to each Payment Date and will assist the Cash Administrator in the preparation of the monthly Payment Report, to be provided by the Cash Administrator three Business Days prior to each Payment Date in accordance with the Cash Administration Agreement. The Investor Report will be posted on the following website: www.usbank.com/abs. The website and the contents thereof do not form part of this Prospectus.

Termination of, and Amendment to, Underlying Agreements and Enforcement

If a Customer defaults on a Purchased Receivable, the Servicer will proceed in accordance with and abide by the Enforcement Procedures. If the Related Collateral is to be enforced, the Servicer will take such measures (at the cost of the Issuer) as it deems necessary or desirable to realise the Related Collateral.

The Servicer will pay to the Issuer the amounts recovered in accordance with the Enforcement Procedures to which the Issuer is entitled.

The Servicer may make amendments to the Underlying Agreements **provided that** such amendments are in compliance with the Credit and Collection Policy and are permitted under the Transaction Documents.

Termination of the Servicing Agreement

The Servicing Agreement, and the appointment of the Servicer, may be terminated in the following circumstances (subject always to the detailed provisions of the Servicing Agreement):

- ***Voluntary Termination.*** The Servicer may retire by giving 12 months' notice to the Issuer and Trustee, **provided that** prior to the expiration of such 12 month period the Issuer has appointed a Successor Servicer to perform the Services who has entered into a replacement servicing agreement on substantially the same terms as the Servicing Agreement. If a Successor Servicer has not been appointed within 12 months, the Servicer's appointment shall not terminate until such time as a Successor Servicer is appointed.
- ***Servicer Termination Event.*** Following the occurrence of a Servicer Termination Event, the Servicer shall deliver a Notification Event Notice to the Customers. The Issuer (with the consent of the Trustee) may then deliver a Servicer Termination Notice to the Servicer. Following receipt by the Servicer of a Servicer Termination Notice, the Servicer shall continue to provide the Services and perform any further acts as required by the Issuer until the

appointment of a Successor Servicer and the Successor Servicer's entry into a replacement servicing agreement on substantially the same terms as the Servicing Agreement, whereupon the Servicer's appointment shall terminate.

- *Legal Maturity Date.* The Servicing Agreement shall terminate automatically on the Legal Maturity Date with no further acts required by any party.

Upon the appointment of a Successor Servicer, the Servicer will transfer to the Successor Servicer all Records and any and all related material, documentation and information. Any Successor Servicer is required to have licences, authorisations and registrations necessary to perform the Services.

The Issuer shall notify, or cause notice to be given to, the Rating Agencies, each of the Transaction Parties and the Noteholders of the appointment of a Successor Servicer.

Insolvency Event in Respect of the Seller—Administrator Incentive Recovery Fee

In order to maximise recoveries following an Insolvency Event of the Seller, and upon the request of an Insolvency Official of the Seller, the Servicer will negotiate the variable component of the Administrator Incentive Recovery Fee with the Seller's Insolvency Official. The fee compensates the Insolvency Official for costs incurred in attempting to make recoveries in respect of Financed Vehicles. The payment of an Administrator Incentive Recovery Fee ranks senior to payments of principal and interest on the Notes in both the Pre-Enforcement and Post-Enforcement Priority of Payments.

Back-up Servicing Facilitation

Under the Servicing Agreement, Banco Santander will agree to act as Back-up Servicer Facilitator. In the event that (each a **Back-up Servicer Facilitation Event**):

- (a) a Servicer Termination Event has occurred; or
- (b) a change of control of the Servicer (so long as it is SC UK) occurs, or the unsecured, unsubordinated debt obligations of Santander UK plc (so long as it is the parent company of SC UK in its capacity as the Servicer), cease to have long-term ratings of either at least BBB- (outlook negative) by S&P or at least Baa3 (outlook negative) by Moody's,

the Back-up Servicer Facilitator will be required to (i) use reasonable endeavours to select a Successor Servicer satisfying the requirements set out in the Servicing Agreement and willing to assume the duties of a Successor Servicer in the event that a Servicer Termination Notice is delivered, (ii) review the information provided to it by the Servicer under the Servicing Agreement, (iii) enter into appropriate data confidentiality provisions, (iv) verify and confirm that the terms of any replacement servicing agreement require the Successor Servicer to put in place new direct debit mandates, (v) notify the Servicer if it requires further assistance and (vi) assist the Servicer to deliver a Notification Event Notice and/or set up alternative payment arrangements with the Customers if a Servicer Termination Notice is delivered. The Issuer has agreed that it will not unreasonably refuse to appoint such entity in accordance with the Servicing Agreement.

For the avoidance of doubt, the circumstances constituting a Back-up Servicer Facilitation Event as detailed in paragraph (b) above do not constitute a Servicer Termination Event.

Limitation on Liability

The Servicer's liability under the Servicing Agreement is limited to losses, claims, expenses or damages suffered or incurred as a direct result of its gross negligence, wilful deceit or fraud, or as a result of a breach by the Servicer of the Transaction Documents with respect to the servicing functions.

Applicable Law

The Servicing Agreement will be governed by English law.

Deed of Charge

The Trustee will hold the security granted to it under or pursuant to the Deed of Charge and exercise its rights and discharge its duties under the Transaction Documents as trustee for the benefit of the Secured Creditors.

Creation of Security

Under the terms of the Deed of Charge, the Issuer will assign or charge the following rights and claims (including any analogous rights and contingent rights to such rights and claims) in favour of the Trustee for the Trustee itself and as trustee for the Secured Creditors:

- (i) the Benefit of all Purchased Receivables together with any Related Collateral and all rights, claims and interests relating thereto;
- (ii) the Benefit of all rights, claims and interests to which the Issuer is now or may hereafter become entitled from or in relation to the Seller or the Servicer and/or any other party pursuant to or in respect of the Receivables Sale Agreement or the Servicing Agreement (including any replacement servicing agreement), including all rights of the Issuer relating to any additional security;
- (iii) the Benefit of all present and future rights, claims and interests to which the Issuer is now or may hereafter become entitled from or in respect of the Seller Accounts Declaration of Trust;
- (iv) the Benefit of all present and future rights, claims and interests to which the Issuer is now or may hereafter become entitled from or in relation to the relevant Transaction Parties and/or any other party pursuant to or in respect of the other Transaction Documents; and
- (v) the Benefit of all present and future rights, claims and interests in or in relation to any amounts standing to the credit of the Charged Accounts (see “*Glossary of Defined Terms*”),

in each case (i) to (v) above including any and all related non-ancillary rights.

Issuer Accounts

Notwithstanding that all claims of the Issuer in respect of the Issuer Accounts have been transferred for security purposes to the Trustee, the Issuer (and the Cash Administrator on its behalf) are entitled to administer the Issuer Accounts in order to, among other things, make payments out of such accounts in accordance with the relevant Priority of Payments. The Trustee may revoke the authority granted to the Issuer and take any necessary action with respect to the Issuer Accounts if, in the opinion of the Trustee, this is necessary to protect the security granted pursuant to the Deed of Charge, including funds credited to the Issuer Accounts.

Enforcement of the Security

The Issuer has granted the Trustee the right to direct the Issuer as to how to deal with the charged property. The Security shall become enforceable upon the delivery of an Enforcement Notice and the Trustee may, at its discretion, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed, the Notes and the other Transaction Documents.

At any time after the Notes shall have become due and repayable and the Security therefore shall have become enforceable, no Noteholder nor any other Secured Creditor will be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period of time and that failure is continuing.

The Deed of Charge will be governed by English law.

Scottish Supplemental Security

Under each Scottish Supplemental Security, the Issuer’s present and future beneficial interest in, under and relative to the relevant Purchased Receivables and all Related Collateral (to the extent governed by or otherwise subject to Scots law) and the trust declared in favour of the Issuer pursuant to the relevant Scottish Transfer, will be assigned in favour of the Trustee for the Trustee itself and as trustee for the Secured Creditors on the Closing Date or a Further Purchase Date (as applicable).

Each Scottish Supplemental Security will be governed by Scots law.

Expenses Loan Agreement

The Expenses Loan Provider will make available to the Issuer on the Closing Date the Expenses Loan Advance under the Expenses Loan Agreement which will be utilised for the purpose of paying certain expenses of the Issuer.

The Expenses Loan Advance shall accrue interest from time to time during an Interest Period at the rate per annum calculated as the sum of 100 basis points and GBP LIBOR (as determined by the Cash Administrator). The obligations of the Issuer to make payments of principal and interest to the Expenses Loan Provider under the Expenses Loan Advance are subordinated to the obligations of the Issuer under the Notes and rank below the Notes and all other obligations of the Issuer (other than Deferred Consideration) in accordance with the applicable Priority of Payments, in each case, as is more fully described under “*Credit Structure—Expenses Loan Advance*” above.

The Expenses Loan Provider has agreed to limited recourse and non-petition provisions in respect of the Issuer.

The Expenses Loan Agreement will be governed by English law.

Liquidity Reserve Loan Agreement

The Liquidity Reserve Loan Provider will make available to the Issuer on the Closing Date the Liquidity Reserve Loan Advance under the Liquidity Reserve Loan Agreement in an amount equal to the Liquidity Reserve Loan Initial Amount which will be utilised for the purpose of establishing and funding the Liquidity Reserve Fund.

Interest shall be payable on the Liquidity Reserve Loan Advance on each Payment Date in an amount equal to the interest (if any) accrued on amounts credited to the Liquidity Reserve Fund as at the Calculation Date immediately preceding such Payment Date.

The Liquidity Reserve Loan Provider has agreed to limited recourse and non-petition provisions in respect of the Issuer.

The Liquidity Reserve Loan Agreement will be governed by English law.

Agency Agreement

The Principal Paying Agent, the Registrar and the Agent Bank will agree to act as agents of the Issuer. The substantive obligations of each Agent are set out below:

- *Registrar.* Responsible for the authentication and effectuation of the Reg S Global Notes and delivery of such Notes to the Common Safekeeper. The Registrar shall also be responsible for authenticating and effectuating the certificates for such Notes whilst in definitive form and for maintaining the Register.
- *Principal Paying Agent.* Responsible for the effectuation of the Reg S Global Notes and delivery of such Notes to the Common Safekeeper. The Principal Paying Agent shall also be responsible for effectuating the certificates for such Notes whilst in definitive form. The Principal Paying Agent shall credit the accounts of the Noteholders held with Euroclear or Clearstream, Luxembourg, respectively. The Principal Paying Agent publishes the Interest Rate for each Class of Notes, the aggregate Interest Amount for each Class and the Payment Date on which such Interest Amount will be paid to the Noteholders on behalf of the Issuer in accordance with Condition 8 (*Notifications*).
- *Agent Bank.* The Agent Bank determines the Interest Amount, Interest Period, Interest Rate and Payment Date in respect of the Notes, and informs the relevant parties. The Agent Bank maintains records of the quotations obtained, and all rates determined, by it and will make records available for inspection by the Issuer, the Principal Paying Agent, the Servicer and the Trustee.

The appointment of the Agents may be terminated in the following circumstances:

- *Resignation.* Any Agent may resign upon 30 days’ notice to the Issuer, the Trustee and the Principal Paying Agent.
- *Termination.* The Issuer may terminate the appointment of any Agent by providing 60 days’ notice, subject to the Issuer having found a replacement agent.
- *Automatic Termination.* Following an Insolvency Event of an Agent, the Issuer shall appoint a successor.

In each case, if the Issuer has not appointed a replacement Agent within 10 days of the Agent’s termination date, the relevant Agent (consulting with the Issuer) shall appoint a successor (in each case on the same terms as the Agency Agreement). There shall at all times be a Principal Paying Agent, a Registrar and an Agent Bank appointed.

The Agency Agreement will be governed by English law.

Trust Deed

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

The Trustee will agree to hold the benefit of, among other things, the Issuer's covenant to repay principal and interest on the Notes from time to time on trust for the Noteholders in accordance with the Transaction Documents and to apply all payments, recoveries or receipts in respect of such covenant in accordance with the Conditions, the Trust Deed and the Agency Agreement.

In accordance with the terms of the Trust Deed, the Issuer will pay an annual fee to the Trustee for its services under the Trust Deed at the rate agreed between the Issuer and the Trustee together with payment of all costs, charges and expenses incurred by the Trustee in relation to the Trustee's performance of its obligations under the Trust Deed.

The Trustee may from time to time retire at any time upon giving not less than 90 days' notice in writing to the Issuer without assigning any reason therefor. The retirement of the Trustee shall not become effective unless, *inter alia*, a successor to the Trustee has been appointed in accordance with the Trust Deed.

Right to Modification

Notwithstanding the provisions of Condition 12(a) (*Meetings of Noteholders*) or Condition 12(d) (*Waiver*), the Trustee shall be obliged, without any consent or sanction of the Noteholders or any of the other Secured Creditors, to concur with the Issuer in making any modification (other than in respect of a Reserved Matter, for which an Extraordinary Resolution of each Class of Noteholders affected thereby approving such modification will be required) to the Trust Documents, the Conditions or any other Transaction Document to which it is a party or in relation to which it holds security that the Issuer considers necessary: (a) for the purpose of complying with, implementing or reflecting any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, or (b) for the purpose of enabling the transactions effected by the Transaction Documents to constitute a transfer of significant credit risk within the meaning of Article 243(2) of the CRR; provided that, among other things, (i) the Trustee receives a certification from the Issuer (or the Servicer on the Issuer's behalf) that such modification is required for its stated purpose, (ii) at least 30 days' prior written notice of any such proposed modification has been given to the Trustee, (iii) the consent of each Secured Creditor which is party to the relevant Transaction Document or which has a right to consent to such modification pursuant to the provisions of the relevant Transaction Document has been obtained, and (iv) with respect to each Rating Agency, the following is obtained: (1) either a written confirmation from such Rating Agency that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Notes by such Rating Agency or (y) such Rating Agency placing the Notes on rating watch negative (or equivalent) or (2) a certification to the Trustee from the Issuer that it has notified such Rating Agency of the proposed modification and, in its opinion, formed on the basis of due consideration and consultation with such Rating Agency (including, as applicable, upon receipt of oral confirmation from an appropriately authorised person at each of the Rating Agencies), such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Notes by such Rating Agency or (y) such Rating Agency placing the Notes on rating watch negative (or equivalent).

In addition, the Issuer shall be obliged to provide at least 30 days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 13 (*Form of Notices*) and by publication on Bloomberg on the "Company News" screen relating to the Notes, and such modification may not be carried out if Noteholders representing at least 10 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class then outstanding have contacted the 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 Trustee that such Noteholders do not consent to the modification.

If Noteholders representing at least 10 per cent. of the Aggregate Note Principal Amount Outstanding of the Controlling Class then outstanding have notified the 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 that such Noteholders do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Controlling Class then outstanding is passed in favour of such modification in accordance with Condition 12(a)(ii) (*Meetings of Noteholders*).

The Trustee shall not be obliged to agree any modification which in the sole opinion of the Trustee would have the effect of (i) exposing the Note Trustee to any liability against which it has not been indemnified and/or prefunded and/or secured to its satisfaction, or (ii) increasing the obligations or duties or decreasing the protections of the Trustee in the Trust Documents, the Conditions or the Transaction Documents.

Limitation on Liability

The Trustee's liability under the Trust Deed is limited to matters or things done or omitted in relation to its own gross negligence, wilful default or fraud.

Applicable Law and Jurisdiction

The Trust Deed, and all non-contractual obligations arising out of or in connection with it, will be governed by the laws of England. The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection therewith.

Cash Administration Agreement

The Cash Administrator agrees to act as agent of the Issuer in order to administer and manage the cash receipts and payments of the Issuer. Following an Issuer Event of Default, the Cash Administrator shall act as agent of the Trustee in relation to payments and calculations to be made by the Trustee. The Cash Administrator's duties will include establishing and maintaining the Ledgers and the operation of the Issuer Accounts.

The Cash Administrator will also prepare and provide, on a monthly basis, a Payment Report (see "*Glossary of Defined Terms*" for a more detailed description of the contents of this report).

The appointment of the Cash Administrator may be terminated in the following circumstances:

- *Termination by Notice.* The Issuer may, with the consent of the Trustee, terminate some or all of the functions of the Cash Administrator on 60 days' notice. A replacement cash administrator must be appointed by the Issuer prior to the expiration of the notice period, on substantially the same terms as the Cash Administration Agreement.
- *Resignation.* The Cash Administrator may resign from its appointment by providing 30 days' written notice to the Issuer and the Trustee. A replacement cash administrator must be appointed by the Issuer prior to the expiration of the notice period, on substantially the same terms as the Cash Administration Agreement.
- *Cash Administrator Termination Event.* Following a Cash Administrator Termination Event, the Issuer may deliver a Cash Administrator Termination Event Notice.

In each case, the Cash Administrator will not be discharged or released from its obligations as Cash Administrator and will remain responsible for the performance of its obligations under the Cash Administration Agreement until an experienced substitute cash administrator has been appointed on substantially the same terms set out in the Cash Administration Agreement. In addition, the Rating Agencies must confirm that the appointment of such substitute cash administrator will not result in a reduction, qualification or withdrawal of the then current ratings of the Notes.

The Cash Administration Agreement will be governed by English law.

Subscription Agreement

The Issuer and the Managers have entered into the Subscription Agreement. The Managers have agreed to subscribe and pay for, or procure the subscription and payment for, up to 50 per cent. of the Class A Notes and all of the Class C Notes, Class D Notes, the Class E Notes and the Class F Notes, subject to certain conditions. The Managers have the right to all costs and expenses and certain representations, warranties and indemnities from the Issuer. The Subscription Agreement will be governed by English law. See "*Subscription and Sale*".

Seller Accounts Declaration of Trust

The Seller will hold all amounts credited to the Seller Accounts which are due to the Issuer from time to time on trust for the Issuer pursuant to the Seller Accounts Declaration of Trust. The Seller Accounts Declaration of Trust will be governed by English law.

Corporate Administration Agreement

The Corporate Administrator will provide certain corporate administrative functions to the Issuer and Holdings pursuant to the Corporate Administration Agreement, including acting as secretary of the Issuer and Holdings, preparing and filing statutory and annual returns and financial statements and performing other corporate administrative services of the Issuer and Holdings against payment of a fee.

The Corporate Administration Agreement will be governed by English law.

Account Bank Agreement

The Account Bank agrees to provide the Sterling Account and the Transaction Account Bank agrees to provide the Transaction Account. The Account Bank and the Transaction Account Bank will comply with the proper directions of the Cash Administrator as to the crediting and debiting of the Issuer Accounts. Following delivery of an Enforcement Notice or termination of the Cash Administrator's appointment, the Account Bank and the Transaction Account Bank will comply with the proper directions of the Trustee.

Any amounts standing to the credit of the Issuer Accounts will bear interest at a rate separately agreed in writing between the Issuer and, in relation to the Sterling Account, the Account Bank and, in relation to the Transaction Account, the Transaction Account Bank.

The Issuer shall transfer an Issuer Account from the Account Bank or the Transaction Account Bank, as applicable, if the ratings of the Account Bank or the Transaction Account Bank, as applicable, fall below the levels set out in "*Trigger Tables—Rating Trigger Tables*".

The Account Bank Agreement will be governed by English law.

EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS

Following the end of the Revolving Period, the Notes are redeemed on each Payment Date in an amount up to the related target principal amount in accordance with the applicable Priority of Payments. The expected average life of the Notes cannot be predicted as the actual rate at which the Purchased Receivables will be repaid and a number of other relevant factors are unknown. Calculated estimates as to the expected average life of the Notes can be made based on certain assumptions. These estimates have certain inherent limitations. No representations are made that such estimates are accurate, that all assumptions relating to such estimates have been considered or stated or that such estimates will be realised.

The table below shows the expected average life of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes based on the following assumptions:

- (i) that the Purchased Receivables are subject to a constant rate of prepayment as shown in the table below;
- (ii) that no Purchased Receivables are sold by the Issuer except as contemplated in the Credit and Collection Policy;
- (iii) that the Purchased Receivables continue to be fully performing;
- (iv) that the Clean-Up Call Option will be exercised in accordance with the Receivables Sale Agreement and Condition 7.3 (*Early Redemption*);
- (v) that all Payment Dates occur on the 25th day of the month and all Collection Periods and Interest Periods are one month in duration;
- (vi) that no Revolving Period Termination Event has occurred;
- (vii) that no Voluntary Terminations have occurred;
- (viii) that all amounts credited to the Reinvestment Principal Ledger are used, during the Revolving Period, to acquire Further Receivables;
- (ix) that the Further Receivables acquired during the Revolving Period have a weighted average life of 31 months and materially equal instalments;
- (x) that the composition of the Initial Portfolio as at the Cut-Off Date is the same as that of the Initial Portfolio on the Closing Date; and
- (xi) that the Notes are issued on 15 December 2016.

Expected Average Life in Years of

Constant Prepayment Rate in %	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes
0%	3.42	5.39	5.44	5.44	5.44	5.44
5%	3.36	5.31	5.36	5.36	5.36	5.36
10%	3.30	5.22	5.28	5.28	5.28	5.28
15%	3.23	5.13	5.20	5.20	5.20	5.20
20%	3.17	5.02	5.12	5.12	5.12	5.12
25%	3.10	4.89	4.95	4.95	4.95	4.95
30%	3.03	4.77	4.86	4.86	4.86	4.86

Assumption (i) above is stated as an average annualised prepayment rate as the prepayment rate for one Interest Period may be substantially different from that for another. The constant prepayment rates shown above are purely illustrative and do not represent the full range of possibilities for constant prepayment rates.

Assumption (iii) above relates to circumstances which are not predictable.

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

DESCRIPTION OF THE PORTFOLIO

The Portfolio consists of Purchased Receivables arising under the Underlying Agreements and the Related Collateral, originated by the Seller pursuant to the Credit and Collection Policy. See “*Credit and Collection Policy*”. The Receivables included in the Portfolio are derived from a portfolio of credit agreements to retail customers to finance the purchase of Financed Vehicles and will be acquired by the Issuer pursuant to the Receivables Sale Agreement. The Aggregate Asset Amount Outstanding as at the beginning of business on the Reference Date preceding the Initial Purchase Date was £600,009,861.81. There will be no substitution of the Purchased Receivables in the Portfolio as existing Purchased Receivables repay, however, during the Revolving Period, Further Receivables may be purchased and added to the Portfolio. The number of Purchased Receivables in the Initial Portfolio on the Reference Date preceding the Initial Purchase Date was 90,397.

During the Revolving Period, the Seller may sell Further Receivables to the Issuer on given Further Purchase Dates. Such Further Receivables will be originated in full compliance with the Eligibility Criteria set out below in “*Eligibility Criteria*” and paid for by the Issuer from Available Distribution Amounts.

The Purchased Receivables (including the Initial Portfolio and such Further Receivables and their Related Collateral) arise under Conditional Sale Agreements, which are fixed interest rate, usually fully amortising, level payment conditional sale contracts entered into by the Seller and Customers, with retention of title to the Financed Vehicle. Title to the Financed Vehicle passes to the Customer once all payments have been made. These agreements require the Customer to make an initial payment followed by generally equal monthly payments of interest and principal which fully amortise the amount financed. In certain cases, a completion fee may be payable under the relevant Conditional Sale Agreement. In such a case the final payment will not be level with all others. In certain cases, the final payment set out in these Conditional Sale Agreements may be larger than the previous monthly payments of interest and principal. The Customer is required to insure the Financed Vehicle for its replacement value and against liability to others for loss or damage. The Customer may be required to provide a guarantee for its obligations under such Underlying Agreement.

The Issuer will not acquire any Receivables or collateral from the Seller other than the Portfolio which consists of (i) the Receivables and the Underlying Agreements to which they relate and (ii) the Related Collateral.

The Conditional Sale Agreements are regulated by the Consumer Credit Act 1974.

The largest aggregate Asset Amount Outstanding due from:

- (i) any individual Customer is equal to or less than the lesser of (x) 0.25 per cent. of the Aggregate Asset Amount Outstanding and (y) £125,000; and
- (ii) any 10 individual Customers is equal to or less than 0.60 per cent. of the Aggregate Asset Amount Outstanding.

No Receivable included in the Initial Portfolio features a final balloon payment for all amounts due at the end of the contract term.

The Seller will make certain representations and warranties with respect to the Portfolio on each Purchase Date, including the Closing Date, under the Receivables Sale Agreement to the Issuer (see further “*Overview of the Transaction Documents—Receivables Sale Agreement*”).

ELIGIBILITY CRITERIA

Compliance with Eligibility Criteria set out in the Transaction Documents

On the Purchase Date on which the Issuer purchases a Receivable, the criteria set out below must be complied with for such Receivable to be eligible for purchase by the Issuer and are referred to as the Eligibility Criteria. For the avoidance of doubt, the Eligibility Criteria in respect of a particular Receivable only need to be satisfied on the Purchase Date of such Receivable.

1. *Title and Ownership; No Other Pledge or Adverse Claims:* The Receivable is a receivable (including any part thereof and the other Related Collateral (if any)) to which the Seller is fully entitled, free of any Encumbrance and any rights of any third party, of which the Seller may freely dispose and in respect of which the Issuer will, upon completion of the purchase of such Receivable, acquire the title or beneficial interest therein unencumbered by any counter-claim, lien, right of rescission, compensation, retention or defence, set-off right or other objection; in particular, such Receivable (and the Related Collateral (if any)) has not been assigned to and is not held on trust for any third party for refinancing and has been documented in a set of documents which designates the Financed Vehicle, the acquisition costs thereof, the related Customer, the payments, the applicable interest rate, the initial due dates and the term of the relevant Underlying Agreement.
2. *Valid Asset Transfer:* The Receivable is a claim or other analogous right which can be transferred by way of assignment or assignation or held on trust without breaching any term or condition of the Underlying Agreement and which shall be validly transferred, together with the Related Collateral (if any), to the Issuer in the manner contemplated by the relevant Transaction Document and the Receivables Sale Agreement and no further act, condition or thing will be required to be done to enable the Issuer to require payment of the Purchased Receivable to the Issuer, or to enforce any such right in court (other than the delivery to the relevant Customer of a Notification Event Notice) or to determine the applicable Asset Rate. Following the assignment and transfer of the Receivable and Related Collateral (if any), such Receivable and the Related Collateral (if any) shall not be available to the creditors of the Seller on the occasion of any insolvency of the Seller
3. *Receivables Constitute Valid Claims on Customers; Validity and Enforceability of Underlying Agreements:* The Receivable and each Underlying Agreement exists and constitutes legally valid, binding and enforceable obligations of the Customer and is not subject to any right of revocation, set-off, lien, retention, right of rescission, subordination, compensation, balance of accounts or counter-claim or warranty claims of the Customer or any other right of objection, irrespective of whether the Issuer knew or could have known of the existence of objections, defences or counter-rights.
4. *Compliance with Relevant Laws and Legal Requirements:* The Receivable has been created in compliance with all applicable laws, rules and regulations (in particular with respect to consumer protection and data protection) and all required consents, approvals and authorisations have been obtained in respect thereof and neither the Seller nor the relevant Underlying Agreement are in violation of any such law, rule or regulation. The sale, transfer and assignment of the Receivable does not violate any law or agreements (in particular with respect to consumer protection and data protection) to which the Seller is bound.
5. *Origination and Servicing; No Borrower Default:* The Receivable:
 - (a) was originated in the United Kingdom in the ordinary course of business of the Seller in accordance with its Credit and Collection Policy in the form of a Standard Form Underlying Agreement, is based on the applicable general terms and conditions of business of the Seller, and has been serviced in compliance with the Servicer's standard servicing procedures;
 - (b) is denominated and payable in Sterling;
 - (c) is not subject to an Underlying Agreement which has been terminated;
 - (d) is not a Defaulted Receivable; and
 - (e) has a fixed interest rate and is fully amortising through payment of constant monthly instalments (except for the first instalment and the final instalment payable under the relevant Underlying Agreement which may differ from the monthly instalments payable for subsequent or previous months).
6. *No Untrue Information:* On the Closing Date or on any Further Purchase Date, as applicable, there is no untrue information on the particulars of the Receivable and the Related Collateral contained in the applicable Notice of Sale.

7. *Agreed-upon Procedures Review*: In respect of a Receivable forming part of the Initial Portfolio, the Initial Portfolio has been subject to an agreed-upon procedures review of a random selection of the Underlying Agreements giving rise to the Receivables in such Initial Portfolio conducted by an independent accounting firm and completed on or about 9 November 2016 with respect to the Underlying Agreements comprising the Initial Portfolio in existence on the Cut-Off Date. This review consisted of a limited fact checking exercise of the related Underlying Agreements to confirm the accuracy of certain information contained in the Underlying Agreements as reported in the Seller's reporting system.
8. *No Withholding Tax*: Under UK tax law on the relevant Purchase Date, no withholding tax will apply to any payments made to the Issuer in respect of a Purchased Receivable.
9. *Obligors*: The Receivable is due from a Customer who:
 - (a) is either a private individual resident in the United Kingdom or a self-employed individual resident in the United Kingdom;
 - (b) has not been declared insolvent or bankrupt, and against whom the Seller has no actual knowledge of any legal insolvency or bankruptcy or sequestration proceedings which are pending in any jurisdiction;
 - (c) is neither an employee nor an officer of the Seller; and
 - (d) does not have an Asset Amount Outstanding, when added together with the aggregate Asset Amounts Outstanding of all other Purchased Receivables owed by the same Customer, in excess of £125,000.
10. *Underlying Agreements*: The Underlying Agreement pursuant to which the Receivable arises:
 - (a) is governed by English, Scots or Northern Irish law;
 - (b) relates to the supply to the Customer of the relevant Financed Vehicle and the Seller retains title to such Financed Vehicle and at the time of sale and assignment of the relevant Receivable and of the Related Collateral (if any) the Seller has no direct possession and a valid claim for the return of such Financed Vehicle (subject to the rights of the Customer); and
 - (c) does not contain confidentiality provisions which restrict the Issuer's rights as owner of the related Receivable.
11. *Other Features of the Receivables*:
 - (a) The Receivable is segregated and identifiable at any time for purposes of ownership and Related Collateral (if any) in the electronic files of the Seller and such electronic files and the related software are able to provide the information to be included in the offer with respect to such Receivable and Related Collateral (if any) pursuant to the relevant Underlying Agreement.
 - (b) At least one payment has been fully made in accordance with the Underlying Agreement to which the relevant Receivable relates.
 - (c) The Receivable does not have an overpayment balance on the Reference Date.
 - (d) The Receivable together with all other Purchased Receivables would not exceed any Concentration Limit on the applicable Reference Date in respect of the sale of that Receivable to the Issuer.
 - (e) On the Reference Date immediately preceding the relevant Purchase Date, the Receivable is not more than one Instalment in arrears.
 - (f) The Receivable did not have a principal balance at origination of more than £125,000.
 - (g) The last scheduled payment date under a Conditional Sale Agreement is not more than 61 months from the first payment date of such Conditional Sale Agreement.
12. *Origination*: The Receivable has been originated by the Seller through a retail distribution channel, without the involvement of a broker as between the Seller and the Customer at the point of sale.

INFORMATION TABLES REGARDING THE PORTFOLIO

1. Characteristics of the Portfolio

The following statistical information sets out certain characteristics of a provisional portfolio of Receivables and the related Financed Vehicles as at 31 August 2016 (the **Cut-Off Date**). The actual pool of Receivables comprising the Initial Portfolio and the related Financed Vehicles sold to the Issuer on the Closing Date will vary from those included in the provisional portfolio and, consequently, the information set out below in respect of the provisional portfolio may not necessarily correspond to that of the Purchased Receivables comprising the Initial Portfolio on the Closing Date. In addition, following the Closing Date, the Portfolio will change from time to time as a result of repayment, prepayments, repurchase of Purchased Receivables or purchase of Further Receivables. The Seller believes that the information in the following tables is representative of the characteristics of the pool of Purchased Receivables comprising the Initial Portfolio that will be randomly selected on the Closing Date from the provisional portfolio, although the portfolio averages and numerical data relating to the distribution of the Purchased Receivables between Conditional Sale – New and Conditional Sale – Used described in the following tables may vary within a range of plus or minus 5 per cent.

Summary

In this Summary section, the following terms have the following meanings:

In respect of **Current Weighted Average LTV**, LTV means loan to value, where “V” represents a generic valuation figure for a vehicle with similar specifications and mileage to the relevant Financed Vehicle (without taking into account the specific condition and accessories of such Financed Vehicle) at the time of origination of the relevant Receivable;

Loan Origination Value means the principal balance of the relevant Underlying Agreement as at the date of its origination;

Monthly Pay % means the percentage of the relevant Underlying Agreements under which monthly payments are contractually due;

Weighted Average means, in each case, weighted by reference to the principal balance of the relevant Underlying Agreements on the Cut-Off Date;

Weighted Average APR refers to the APR weighted by reference to the principal balance of the relevant Underlying Agreements on the Cut-Off Date, where APR means the annual percentage rate calculated in accordance with the terms of the relevant Underlying Agreements; and

All contracts	New	Used	Total
Aggregate Pool Balance (£)	80,745,145.35	566,713,731.49	647,458,876.84
Number of Loans	12,171	82,906	95,077
Minimum Loan Balance (£)	100.00	62.50	62.50
Maximum Loan Balance (£)	61,762.69	72,173.65	72,173.65
Arithmetic Average Loan Balance (£)	6,634.22	6,835.62	6,809.84
Current Weighted Average LTV %	42.96	71.91	68.30
Weighted Average Original Term to Maturity	43	54	52
Minimum Term	12	12	12
Maximum Term	60	60	60
Weighted Average Remaining Term to Maturity	29	43	41
Minimum Term	0	0	0
Maximum Term	59	59	59
Weighted Average Seasoning	14	10	11
Minimum Term	1	1	1
Maximum Term	60	60	60
Weighted Average APR	3.24	9.54	8.75

Table 1: Agreement Balances at Origination

	Contract Type	Original Balance (£)	Percentage of Balance	Number of Agreements	Percentage of Agreements
1	Conditional Sale – New	157,283,491	17.77	12,171	12.80
2	Conditional Sale – Used	727,695,695	82.23	82,906	87.20
Total		884,979,186	100.00	95,077	100.00

Table 2: Current Agreement Balances

	Contract Type	Original Balance (£)	Percentage of Balance	Number of Agreements	Percentage of Agreements
1	New Conditional Sale	80,745,145	12.47	12,171	12.80
2	Used Conditional Sale	566,713,731	87.53	82,906	87.20
Total		647,458,877	100.00	95,077	100.00

Table 3: Total Period Agreements

Total					
Original Term to Maturity		Current Principal Balance (£)	Number of Agreements		
Min	Max				
0	12	343,623	156		
13	24	41,714,156	8,515		
25	36	84,047,670	16,491		
37	48	112,283,618	17,375		
49	>	409,069,810	52,540		
Weighted Average		52			
Total		647,458,877	95,077		

New Conditional Sale					
Original Term to Maturity		Current Principal Balance (£)	Number of Agreements		
Min	Max				
0	12	27,705	6		
13	24	26,915,947	3,549		
25	36	12,425,123	1,567		
37	48	8,244,060	947		
49	>	33,132,310	6,102		
Weighted Average		43			
Total		80,745,145	12,171		

Used Conditional Sale					
Original Term to Maturity		Current Principal Balance (£)	Number of Agreements		
Min	Max				
0	12	315,918	150		
13	24	14,798,209	4,966		
25	36	71,622,547	14,924		
37	48	104,039,558	16,428		
49	>	375,937,500	46,438		
Weighted Average		54			
Total		566,713,731	82,906		

Table 4: Agreement Seasoning

Total			
Number of Months Since Origination (as at Cut-Off Date)		Current Principal Balance (£)	Number of Agreements
Min	Max		
0	3	139,024,359	15,419
4	6	118,991,405	14,003
7	9	87,717,240	11,333
10	12	61,443,705	8,523
13	15	86,147,989	12,720
16	18	69,694,497	11,386
19	21	39,741,573	7,150
22	24	17,789,275	3,475
25	27	2,986,887	570
28	30	2,215,296	505
31	33	102,279	31
34	36	101,862	28
37	39	46,620	12
40	42	2,536,537	879
43	45	6,111,897	2,265
46	48	5,809,832	2,480
49	51	4,418,579	2,117
52	54	1,728,157	1,147
55	57	674,028	707
58	60	176,859	327
Weighted Average		11	
Total		647,458,877	95,077

New Conditional Sale			
Number of Months Since Origination (as at Cut-Off Date)		Current Principal Balance (£)	Number of Agreements
Min	Max		
0	3	17,853,358	1,509
4	6	16,543,572	1,421
7	9	7,317,913	714
10	12	4,069,040	456
13	15	9,099,113	1,219
16	18	8,858,830	1,315
19	21	3,641,604	663
22	24	1,652,775	400
25	27	263,356	39
28	30	266,985	51
31	33	13,132	2
34	36	46,574	10
37	39	32,145	7
40	42	861,363	230
43	45	3,221,428	976
46	48	3,659,931	1,458
49	51	2,680,785	1,236
52	54	543,692	321
55	57	96,220	97
58	60	23,332	47
Weighted Average		14	
Total		80,745,145	12,171

Used Conditional Sale			
Number of Months Since Origination (as at Cut-Off Date)		Current Principal Balance (£)	Number of Agreements
Min	Max		
0	3	121,171,001	13,910
4	6	102,447,833	12,582
7	9	80,399,326	10,619
10	12	57,374,665	8,067
13	15	77,048,876	11,501
16	18	60,835,668	10,071
19	21	36,099,969	6,487
22	24	16,136,500	3,075
25	27	2,723,532	531
28	30	1,948,311	454
31	33	89,148	29
34	36	55,288	18
37	39	14,476	5
40	42	1,675,175	649
43	45	2,890,468	1,289
46	48	2,149,901	1,022
49	51	1,737,794	881
52	54	1,184,465	826
55	57	577,808	610
58	60	153,528	280
Weighted Average		10	
Total		566,713,731	82,906

Table 5: Remaining Term of Agreements (from Cut-Off Date to Maturity)

Total			
Remaining Term		Current Principal Balance (£)	Number of Agreements
Min	Max		
0	12	21,475,828	10,467
13	24	72,818,901	16,240
25	36	105,536,653	17,359
37	48	213,772,273	27,032
49	>	233,855,222	23,979
Weighted Average		41	
Total		647,458,877	95,077

New Conditional Sale			
Remaining Term		Current Principal Balance (£)	Number of Agreements
Min	Max		
0	12	11,295,111	3,881
13	24	29,363,461	4,571
25	36	13,569,016	1,462
37	48	15,613,283	1,455
49	>	10,904,274	802
Weighted Average		29	
Total		80,745,145	12,171

Used Conditional Sale			
Remaining Term		Current Principal Balance (£)	Number of Agreements
Min	Max		
0	12	10,180,717	6,586
13	24	43,455,440	11,669
25	36	91,967,637	15,897
37	48	198,158,990	25,577
49	>	222,950,948	23,177
Weighted Average		43	
Total		566,713,731	82,906

Table 6: Vehicle Type

Total		
Car or LCV	Total Current Principal Balance (£)	Number of Agreements
Car	621,500,675	92,192
LCV	25,958,202	2,885
Weighted Average	6,809.84	
Total	647,458,877	95,077

New / Used	Car or LCV	Total Current Principal Balance (£)	Number of Agreements
New	Car	72,231,971	11,348
New	LCV	8,513,175	823
Used	Car	549,268,704	80,844
Used	LCV	17,445,028	2,062
Total		647,458,877	95,077

Table 7: Agreement Yields (APR)

Total			
Min % (>=)	Max % (<=)	Current Principal Balance (£)	Number of Agreements
0		89,538,452	15,859
0	1	182,564	31
1	2	529,721	85
2	3	1,079,755	147
3	4	4,863,720	561
4	5	18,845,381	1,831
5	6	28,102,362	2,892
6	7	49,938,809	5,390
7	8	87,158,498	9,737
8	9	61,394,961	7,818
9	10	81,861,597	11,275
10	11	54,565,044	8,178
11	12	40,691,017	6,383
12	13	38,318,865	6,536
13	14	45,562,397	7,773
14	15	16,020,647	3,018
15	16	9,766,042	2,173
16	17	7,964,552	1,792
17	18	4,567,607	1,182
18	19	3,069,716	907
19	20	1,426,866	527
20	21	811,831	343
21	22	496,309	220
22	23	304,293	154
23	24	179,004	109
24	25	112,211	77
25	26	77,496	55
26	27	29,160	24
27	28	0	0
28	29	0	0
29	30	0	0
30	+	0	0
Weighted Average		8.33	
Total		647,458,877	95,077

New Conditional Sale			
Min % (>)	Max % (<=)	Current Principal Balance (£)	Number of Agreements
	0	45,446,091	8,365
0	1	0	0
1	2	5,236	1
2	3	41,665	4
3	4	840,542	76
4	5	5,506,106	464
5	6	6,410,645	536
6	7	7,487,700	737
7	8	4,487,152	470
8	9	3,728,498	454
9	10	3,055,440	426
10	11	1,304,407	203
11	12	1,045,318	165
12	13	607,076	111
13	14	447,017	79
14	15	154,146	32
15	16	57,982	15
16	17	50,943	12
17	18	43,939	9
18	19	13,520	6
19	20	2,405	1
20	21	7,371	4
21	22	1,949	1
22	23	0	0
23	24	0	0
24	25	0	0
25	26	0	0
26	27	0	0
27	28	0	0
28	29	0	0
29	30	0	0
30	+	0	0
Weighted Average		3.12	
Total		80,745,145	12,171

Used Conditional Sale			
Min % (>)	Max % (<=)	Current Principal Balance (£)	Number of Agreements
	0	44,092,361	7,494
0	1	182,564	31
1	2	524,486	84
2	3	1,038,091	143
3	4	4,023,179	485
4	5	13,339,275	1,367
5	6	21,691,717	2,356
6	7	42,451,109	4,653
7	8	82,671,346	9,267
8	9	57,666,463	7,364
9	10	78,806,157	10,849
10	11	53,260,637	7,975
11	12	39,645,699	6,218
12	13	37,711,789	6,425
13	14	45,115,379	7,694
14	15	15,866,502	2,986
15	16	9,708,060	2,158
16	17	7,913,609	1,780
17	18	4,523,668	1,173
18	19	3,056,196	901
19	20	1,424,462	526
20	21	804,459	339
21	22	494,360	219
22	23	304,293	154
23	24	179,004	109
24	25	112,211	77
25	26	77,496	55
26	27	29,160	24
27	28	0	0
28	29	0	0
29	30	0	0
30	+	0	0
Weighted Average		9.07	
Total		566,713,731	82,906

Table 8: Distribution by Loan-to-Value Ratio

In this Table 8, **Vehicle Value** means:

- (i) in the case of a new vehicle, the retail price; and
- (ii) in the case of a used vehicle, the average trade price quoted by the industry vehicle valuation service CAP, in each case at the time of origination of the relevant Receivable.

Total			
Origination Amount \ Vehicle Value		Origination Principal Balance (£)	Number of Agreements
Min % (>)	Max % (<=)		
0	10	60,966	28
10	20	1,441,491	463
20	30	6,886,609	1,667
30	40	25,813,735	4,018
40	50	71,599,840	8,126
50	60	66,023,549	8,461
60	70	77,038,436	9,070
70	80	111,262,360	12,031
80	90	147,981,432	15,179
90	100	200,741,978	19,663
100	110	119,747,309	11,617
110	120	40,174,409	3,500
120	130	12,774,991	990
130	140	2,720,359	212
140	150	688,377	51
150	160	23,344	1
160	170	0	0
170	180	0	0
180	190	0	0
190	200	0	0
200	+	0	0
Weighted Average		82.93	
Total		884,979,186	95,077

New Conditional Sale			
Origination Amount \ Vehicle Value		Origination Principal Balance (£)	Number of Agreements
Min % (>)	Max % (<=)		
0	10	12,016	5
10	20	241,845	56
20	30	1,074,967	181
30	40	11,113,032	1,029
40	50	42,709,682	3,187
50	60	18,905,004	1,551
60	70	13,517,031	1,066
70	80	17,749,199	1,360
80	90	20,937,530	1,562
90	100	22,123,655	1,560
100	110	7,188,165	498
110	120	1,287,663	85
120	130	326,748	24
130	140	73,351	6
140	150	23,602	1
150	160	0	0
160	170	0	0
170	180	0	0
180	190	0	0
190	200	0	0
200	+	0	0
Weighted Average		62.99	
Total		157,283,491	12,171

Used Conditional Sale			
Origination Amount \ Vehicle Value		Origination Principal Balance (£)	Number of Agreements
Min % (>)	Max % (<=)		
0	10	48,950	23
10	20	1,199,647	407
20	30	5,811,642	1,486
30	40	14,700,703	2,989
40	50	28,890,158	4,939
50	60	47,118,544	6,910
60	70	63,521,405	8,004
70	80	93,513,161	10,671
80	90	127,043,903	13,617
90	100	178,618,323	18,103
100	110	112,559,144	11,119
110	120	38,886,746	3,415
120	130	12,448,243	966
130	140	2,647,008	206
140	150	664,775	50
150	160	23,344	1
160	170	0	0
170	180	0	0
180	190	0	0
190	200	0	0
200	+	0	0
Weighted Average		85.77	
Total		727,695,695	82,906

Table 9: Deposit as a Percentage of Purchase Price

In this Table 9:

Deposit means the deposit paid by a Customer in relation to a Receivable (and does not, for the avoidance of doubt, refer to the first instalment payable under the relevant Underlying Agreement); and

Purchase Price means the amount which a Customer pays to the relevant Dealer in respect of the relevant vehicle.

Total				
Deposit Value %		Origination Principal Balance (£)	Current Principal Balance (£)	Number of Agreements
Min % (>)	Max % (<=)			
0	10	345,701,279	264,825,981	32,776
10	20	172,713,568	125,153,704	17,541
20	30	112,890,287	81,328,011	12,166
30	40	77,111,430	56,134,328	9,077
40	50	76,742,709	52,686,115	9,238
50	60	72,532,268	47,790,604	8,543
60	70	18,396,741	13,332,938	3,477
70	80	7,368,381	5,187,313	1,752
80	90	1,447,706	966,390	472
90	100	74,819	53,493	35
Weighted Average		20.07		
Total		884,979,186	647,458,877	95,077

New Conditional Sale				
Deposit Value %		Origination Principal Balance (£)	Current Principal Balance (£)	Number of Agreements
Min % (>)	Max % (<=)			
0	10	37,105,765	16,811,065	2,665
10	20	24,901,390	10,587,925	1,874
20	30	14,526,685	6,513,771	1,131
30	40	9,918,631	5,041,297	823
40	50	26,473,105	15,198,524	2,028
50	60	40,546,548	23,869,966	3,127
60	70	2,575,446	1,831,465	309
70	80	1,023,829	752,861	163
80	90	203,075	130,253	48
90	100	9,016	8,019	3
Weighted Average		34.33		
Total		157,283,491	80,745,145	12,171

Used Conditional Sale				
Deposit Value %		Origination Principal Balance (£)	Current Principal Balance (£)	Number of Agreements
Min % (>)	Max % (<=)			
0	10	308,595,514	248,014,916	30,111
10	20	147,812,178	114,565,778	15,667
20	30	98,363,601	74,814,240	11,035
30	40	67,192,799	51,093,030	8,254
40	50	50,269,604	37,487,591	7,210
50	60	31,985,720	23,920,639	5,416
60	70	15,821,295	11,501,473	3,168
70	80	6,344,552	4,434,453	1,589
80	90	1,244,631	836,137	424
90	100	65,803	45,474	32
Weighted Average		18.03		
Total		727,695,695	566,713,731	82,906

Table 10: Model Year: Current Agreement Balances

In this Table 10, **Cash Price** means, in respect of each vehicle, the sum of (i) the Deposit (as defined in relation to Table 9 above) and (ii) the aggregate amount of all instalments payable under the relevant Underlying Agreement.

Total				
Year of Manufacture	Cash Price (£)	Percentage of Cash Price	Number of Agreements	Percentage of Loans
2005	1,486,731	0.12	200	0.21
2006	5,323,455	0.44	682	0.72
2007	15,497,402	1.27	1,949	2.05
2008	26,893,219	2.20	3,202	3.37
2009	45,437,706	3.72	4,944	5.20
2010	71,228,676	5.83	7,122	7.49
2011	137,091,698	11.22	12,643	13.30
2012	238,545,348	19.53	19,798	20.82
2013	185,050,851	15.15	15,225	16.01
2014	191,999,692	15.72	13,426	14.12
2015	210,233,139	17.21	11,851	12.46
2016	92,807,456	7.60	4,035	4.24
Mean	12,848			
Total	1,221,595,372	100.00	95,077	100.00

New Conditional Sale				
Year of Manufacture	Cash Price (£)	Percentage of Cash Price	Number of Agreements	Percentage of Loans
2011	1,812,302	0.71	124	1.02
2012	55,895,772	21.93	3,659	30.06
2013	9,642,147	3.78	601	4.94
2014	22,563,994	8.85	1,018	8.36
2015	87,134,424	34.18	3,635	29.87
2016	77,885,544	30.55	3,134	25.75
Mean	20,946			
Total	254,934,184	100.00	12,171	100.00

Used Conditional Sale				
Year of Manufacture	Cash Price (£)	Percentage of Cash Price	Number of Agreements	Percentage of Loans
2005	1,486,731	0.15	200	0.24
2006	5,323,455	0.55	682	0.82
2007	15,497,402	1.60	1,949	2.35
2008	26,893,219	2.78	3,202	3.86
2009	45,437,706	4.70	4,944	5.96
2010	71,228,676	7.37	7,122	8.59
2011	135,279,396	13.99	12,519	15.10
2012	182,649,576	18.89	16,139	19.47
2013	175,408,704	18.15	14,624	17.64
2014	169,435,698	17.53	12,408	14.97
2015	123,098,715	12.73	8,216	9.91
2016	14,921,911	1.54	901	1.09
Mean	11,660			
Total	966,661,188	100.00	82,906	100.00

Table 11: Geographical Distribution

Total		
Region	Current Principal Balance (£)	Number of Agreements
East Midlands	97,582,892	14,961
Greater London	59,393,643	6,883
North East	79,942,580	13,014
North West	82,455,971	12,614
Northern Ireland	27,297,367	4,022
Scotland	102,397,941	14,332
South East	87,798,562	12,375
South West	34,854,797	5,486
Wales	17,672,815	2,868
West Midlands	58,062,309	8,522

New / Used	Region	Current Principal Balance (£)	Number of Agreements
New	East Midlands	11,686,817	1,713
New	Greater London	5,450,120	790
New	North East	9,561,806	1,444
New	North West	9,749,154	1,483
New	Northern Ireland	3,630,976	494
New	Scotland	12,207,936	1,764
New	South East	13,353,476	2,029
New	South West	5,038,442	777
New	Wales	3,942,048	655
New	West Midlands	6,124,371	1,022
Used	East Midlands	85,896,075	13,248
Used	Greater London	53,943,523	6,093
Used	North East	70,380,774	11,570
Used	North West	72,706,817	11,131
Used	Northern Ireland	23,666,392	3,528
Used	Scotland	90,190,005	12,568
Used	South East	74,445,086	10,346
Used	South West	29,816,355	4,709
Used	Wales	13,730,768	2,213
Used	West Midlands	51,937,938	7,500

Table 12: Obligor Concentration

Rank	Current Principal Balance (£)	Number of Loans
1	81,030	2
2	72,174	1
3	67,070	1
4	62,980	1
5	61,763	1
6	60,463	1
7	59,530	1
8	59,135	1
9	58,414	1
10	58,397	1
11	57,564	1
12	57,434	1
13	57,331	1
14	56,792	1
15	56,693	1
16	56,231	1
17	55,605	1
18	53,994	1
19	53,366	1
20	53,026	1
Total	1,198,992.74	21

Table 13: Manufacturer Concentration

Manufacturer	Current Principal Balance (£)	Percentage of Balance
Vauxhall	129,523,277	20.00
Ford	88,377,269	13.65
Volvo	61,138,189	9.44
Nissan	38,619,251	5.96
BMW	34,680,752	5.36
Audi	33,944,192	5.24
Volkswagen	30,867,427	4.77
Land Rover	25,564,595	3.95
Mercedes-Benz	22,026,979	3.40
Mazda	20,895,156	3.23
Peugeot	18,486,175	2.86
Citroen	18,271,967	2.82
Renault	15,138,810	2.34
Kia	13,228,343	2.04
Toyota	12,313,022	1.90
Seat	11,456,374	1.77
Fiat	10,079,256	1.56
Other	62,847,846	9.71
Total	647,458,877	100.00

2. Static Pool Performance

The following statistical information sets out certain historical data in respect of a representative pool of historical loans originated by SC UK up to the end of June 2016. The information set out below may not necessarily correspond to that of the Purchased Receivables on the Closing Date. After the Closing Date, the Portfolio will change from time to time as a result of repayment, prepayments, repurchase of Purchased Receivables or purchase of Further Receivables.

Cumulative Gross Default is since the year of origination. For example, period 1 of 2008 Vintage represents the cumulative default of loans originated in 2008 at January 2009. ‘O’ refers to the cumulative default in the Year of Origination.

Cumulative Recovery shows the recovery from the initial declaration of default through recoveries in the year of default (0) and 1-7 years after default.

For each of the “Vintage Delinquency (Greater than 30 days delinquent)” and “Periodic CPR” tables, the below data only sets out the historical position until the point of time where at least 10 per cent. of the original portfolio was outstanding.

In this Section 2 (Static Pool Performance):

CPR is a measure by which prepayments are calculated as an annualised percentage of the amount outstanding of the pool at the start of the period in which the prepayments occur.

*Due to loss data extending only until June 2016, only two loss points are available for 2016.

Total Conditional Sale

Cumulative Gross Credit-Default - All Conditional Sale									
Month	2008	2009	2010	2011	2012	2013	2014	2015	2016*
0	0.11%	0.10%	0.13%	0.08%	0.09%	0.07%	0.07%	0.09%	0.00%
1	0.18%	0.12%	0.20%	0.10%	0.11%	0.09%	0.10%	0.11%	0.01%
2	0.25%	0.17%	0.22%	0.14%	0.13%	0.14%	0.11%	0.13%	
3	0.31%	0.20%	0.28%	0.17%	0.16%	0.15%	0.12%	0.18%	
4	0.41%	0.23%	0.34%	0.20%	0.18%	0.18%	0.13%	0.23%	
5	0.52%	0.29%	0.39%	0.23%	0.20%	0.21%	0.15%	0.27%	
6	0.73%	0.31%	0.44%	0.27%	0.23%	0.23%	0.18%	0.31%	
7	0.78%	0.35%	0.50%	0.30%	0.26%	0.25%	0.22%	0.36%	
8	0.80%	0.41%	0.58%	0.34%	0.30%	0.31%	0.26%		
9	0.93%	0.45%	0.65%	0.37%	0.34%	0.35%	0.29%		
10	1.02%	0.50%	0.72%	0.41%	0.37%	0.36%	0.31%		
11	1.23%	0.55%	0.78%	0.46%	0.40%	0.38%	0.37%		
12	1.34%	0.60%	0.84%	0.50%	0.43%	0.40%	0.38%		
13	1.47%	0.65%	0.87%	0.53%	0.46%	0.42%	0.41%		
14	1.55%	0.70%	0.92%	0.57%	0.50%	0.44%	0.43%		
15	1.63%	0.73%	0.94%	0.59%	0.52%	0.47%	0.47%		
16	1.74%	0.77%	0.98%	0.62%	0.55%	0.47%	0.48%		
17	1.83%	0.81%	1.02%	0.64%	0.57%	0.49%	0.51%		
18	1.89%	0.85%	1.07%	0.67%	0.58%	0.50%	0.54%		
19	1.95%	0.89%	1.11%	0.70%	0.59%	0.52%	0.57%		
20	2.03%	0.93%	1.14%	0.73%	0.62%	0.53%			
21	2.11%	0.94%	1.16%	0.77%	0.63%	0.54%			
22	2.15%	0.99%	1.20%	0.78%	0.64%	0.55%			
23	2.20%	1.03%	1.22%	0.79%	0.65%	0.57%			
24	2.23%	1.07%	1.25%	0.81%	0.66%	0.58%			
25	2.29%	1.09%	1.28%	0.82%	0.67%	0.58%			
26	2.31%	1.11%	1.30%	0.83%	0.68%	0.59%			
27	2.35%	1.13%	1.32%	0.85%	0.69%	0.61%			
28	2.39%	1.15%	1.35%	0.86%	0.69%	0.61%			
29	2.42%	1.18%	1.38%	0.87%	0.70%	0.63%			
30	2.46%	1.19%	1.39%	0.88%	0.71%	0.64%			
31	2.47%	1.21%	1.41%	0.88%	0.72%	0.66%			
32	2.49%	1.24%	1.42%	0.90%	0.73%				
33	2.52%	1.25%	1.44%	0.91%	0.73%				
34	2.54%	1.27%	1.45%	0.91%	0.74%				
35	2.59%	1.29%	1.45%	0.92%	0.75%				
36	2.61%	1.30%	1.46%	0.93%	0.76%				
37	2.62%	1.32%	1.46%	0.94%	0.76%				
38	2.64%	1.32%	1.47%	0.95%	0.77%				
39	2.67%	1.33%	1.47%	0.95%	0.78%				
40	2.70%	1.33%	1.48%	0.96%	0.78%				
41	2.71%	1.35%	1.49%	0.96%	0.79%				
42	2.74%	1.35%	1.49%	0.96%	0.79%				

Cumulative Gross Credit-Default - All Conditional Sale									
Month	2008	2009	2010	2011	2012	2013	2014	2015	2016*
43	2.74%	1.35%	1.49%	0.97%	0.80%				
44	2.75%	1.37%	1.50%	0.97%					
45	2.76%	1.37%	1.50%	0.97%					
46	2.76%	1.37%	1.50%	0.97%					
47	2.76%	1.37%	1.50%	0.98%					
48	2.78%	1.38%	1.51%	0.98%					
49	2.78%	1.38%	1.51%	0.98%					
50	2.79%	1.39%	1.52%	0.99%					
51	2.79%	1.39%	1.52%	0.99%					
52	2.79%	1.39%	1.52%	0.99%					
53	2.80%	1.39%	1.52%	0.99%					
54	2.80%	1.39%	1.52%	0.99%					
55	2.80%	1.39%	1.53%	0.99%					
56	2.81%	1.40%	1.53%						
57	2.81%	1.40%	1.53%						
58	2.82%	1.40%	1.53%						
59	2.82%	1.40%	1.53%						
60	2.82%	1.40%	1.54%						
61	2.82%	1.40%	1.54%						
62	2.82%	1.40%	1.54%						
63	2.82%	1.40%	1.54%						
64	2.82%	1.40%	1.54%						
65	2.82%	1.40%	1.54%						
66	2.82%	1.41%	1.54%						
67	2.82%	1.41%	1.55%						
68	2.82%	1.41%							
69	2.82%	1.41%							
70	2.82%	1.41%							
71	2.82%	1.41%							
72	2.82%	1.41%							

Cumulative Recovery from Credit Default: All Conditional Sale									
Year of Default	2008	2009	2010	2011	2012	2013	2014	2015	2016*
Initial	43.88%	47.40%	44.55%	37.05%	41.35%	42.11%	54.42%	43.76%	40.86%
0	44.11%	48.23%	46.76%	38.20%	43.31%	43.47%	56.32%	46.08%	42.00%
1	44.55%	51.48%	49.56%	40.94%	46.39%	45.91%	59.93%		
2	44.96%	54.95%	51.42%	42.22%	48.20%	47.54%			
3	45.20%	57.33%	52.49%	43.18%	49.44%				
4	45.35%	58.59%	53.24%	44.22%					
5	45.93%	59.29%	53.68%						
6	46.66%	59.76%							
7	47.48%								

Vintage Delinquency (Greater than 30 days delinquent): All Conditional Sale									
Month	2008	2009	2010	2011	2012	2013	2014	2015	2016
0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1	0.39%	0.44%	0.31%	0.34%	0.23%	0.21%	0.16%	0.12%	0.06%
2	0.29%	0.20%	0.22%	0.18%	0.12%	0.11%	0.09%	0.15%	0.11%
3	0.43%	0.29%	0.35%	0.22%	0.16%	0.15%	0.13%	0.26%	0.25%
4	0.57%	0.40%	0.43%	0.28%	0.23%	0.20%	0.20%	0.35%	0.32%
5	0.70%	0.48%	0.54%	0.31%	0.30%	0.25%	0.27%	0.52%	0.42%
6	0.83%	0.52%	0.58%	0.37%	0.33%	0.27%	0.35%	0.54%	0.49%
7	0.95%	0.53%	0.63%	0.49%	0.37%	0.29%	0.39%	0.66%	
8	1.20%	0.56%	0.70%	0.50%	0.37%	0.34%	0.43%	0.71%	
9	1.25%	0.67%	0.75%	0.53%	0.40%	0.40%	0.46%	0.79%	
10	1.38%	0.83%	0.83%	0.53%	0.41%	0.40%	0.52%	0.82%	
11	1.67%	0.77%	0.87%	0.58%	0.45%	0.42%	0.57%	0.88%	
12	1.66%	0.89%	0.89%	0.60%	0.51%	0.43%	0.65%	0.87%	
13	1.85%	0.86%	0.98%	0.67%	0.52%	0.38%	0.71%	0.89%	
14	2.03%	0.83%	1.05%	0.71%	0.51%	0.40%	0.76%	0.94%	
15	1.86%	0.86%	1.01%	0.73%	0.52%	0.44%	0.81%	0.88%	
16	1.98%	0.95%	1.01%	0.75%	0.54%	0.49%	0.86%	0.92%	
17	1.72%	0.95%	0.98%	0.74%	0.51%	0.50%	0.95%	1.02%	
18	1.71%	1.02%	0.98%	0.75%	0.61%	0.51%	0.92%		
19	1.70%	1.06%	1.07%	0.82%	0.61%	0.52%	0.95%		
20	1.76%	1.13%	1.10%	0.88%	0.66%	0.60%	1.01%		
21	1.98%	1.11%	1.21%	0.78%	0.64%	0.67%	0.99%		
22	1.95%	1.18%	1.25%	0.95%	0.68%	0.70%	1.09%		
23	1.94%	1.42%	1.24%	0.89%	0.72%	0.80%	1.11%		
24	1.81%	1.52%	1.27%	0.97%	0.82%	0.88%	1.15%		

Vintage Delinquency (Greater than 30 days delinquent): All Conditional Sale									
Month	2008	2009	2010	2011	2012	2013	2014	2015	2016
25	1.82%	1.64%	1.41%	1.04%	0.80%	0.97%	1.29%		
26	2.37%	1.59%	1.45%	1.06%	0.86%	1.04%	1.38%		
27	2.39%	1.66%	1.64%	1.13%	0.91%	1.08%	1.40%		
28	2.36%	1.77%	1.69%	1.28%	1.00%	1.17%			
29	2.56%	1.78%	1.73%	1.40%	1.06%	1.30%			
30	2.64%	1.87%	1.96%	1.44%	1.11%	1.38%			
31	2.74%	2.01%	2.08%	1.56%	1.25%	1.41%			
32	3.27%	2.11%	2.05%	1.56%	1.34%	1.59%			
33	3.22%	2.03%	2.33%	1.62%	1.47%	1.55%			
34	2.82%	2.11%	2.55%	1.85%	1.56%	1.66%			
35	3.16%	2.38%	2.89%	1.92%	1.71%	1.69%			
36	3.38%			2.10%	1.71%	1.80%			
37	3.27%			2.23%	1.76%				
38	3.83%				1.89%				

Periodic CPR: All Conditional Sale									
Month	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	6.85%	4.45%	4.88%	5.84%	5.20%	5.87%	6.47%	8.11%	7.48%
2	6.45%	4.63%	5.88%	6.48%	5.58%	6.46%	7.90%	7.97%	7.83%
3	7.73%	5.03%	7.65%	7.57%	6.05%	6.44%	7.58%	9.22%	6.40%
4	6.78%	5.59%	7.14%	7.97%	6.25%	7.08%	8.02%	9.92%	5.73%
5	8.98%	6.06%	7.87%	9.61%	6.88%	6.83%	9.00%	9.43%	4.16%
6	7.84%	6.87%	8.22%	8.94%	7.92%	7.65%	8.73%	9.75%	3.12%
7	7.81%	7.31%	7.40%	7.90%	7.72%	7.87%	10.12%	10.20%	
8	5.96%	7.57%	8.27%	8.84%	8.90%	8.21%	9.30%	8.53%	
9	9.16%	7.40%	8.22%	8.81%	8.71%	8.74%	11.40%	9.14%	
10	8.26%	8.67%	9.88%	11.01%	10.35%	9.89%	11.87%	10.17%	
11	8.06%	10.57%	10.68%	11.84%	11.28%	11.44%	15.20%	11.47%	
12	9.98%	8.84%	9.62%	11.16%	10.18%	9.60%	12.84%	10.86%	
13	7.82%	8.06%	8.33%	10.76%	10.15%	9.60%	13.10%	10.74%	
14	7.51%	8.42%	8.99%	11.02%	9.95%	10.54%	12.63%	10.15%	
15	8.78%	8.30%	9.60%	12.23%	10.83%	10.69%	12.97%	10.41%	
16	9.54%	8.58%	10.14%	12.50%	11.64%	10.83%	15.43%	8.36%	
17	8.83%	9.37%	10.55%	13.20%	11.96%	11.46%	15.84%	9.01%	
18	10.19%	9.53%	10.49%	13.21%	12.88%	11.98%	15.49%	4.23%	
19	10.74%	9.56%	9.55%	14.31%	11.42%	13.77%	15.49%		
20	10.71%	11.23%	9.56%	14.59%	13.06%	13.29%	15.57%		
21	10.17%	10.76%	11.37%	15.27%	14.27%	15.63%	14.70%		
22	12.83%	11.78%	13.96%	17.47%	16.26%	17.81%	15.69%		
23	12.95%	12.75%	14.69%	17.89%	16.64%	19.83%	15.77%		
24	11.84%	11.99%	14.06%	17.47%	15.21%	19.03%	16.65%		
25	12.67%	10.95%	13.49%	15.59%	14.67%	17.37%	13.38%		
26	10.74%	11.14%	13.14%	16.70%	15.91%	17.11%	13.56%		
27	12.29%	12.01%	14.42%	17.49%	14.93%	18.06%	11.91%		
28	10.72%	11.89%	14.51%	18.30%	15.82%	18.11%	11.94%		
29	11.64%	11.85%	14.77%	18.23%	16.94%	18.69%			
30	12.42%	12.54%	14.54%	18.57%	17.53%	17.75%			
31	13.38%	11.92%	15.13%	20.26%	17.49%	21.34%			
32	10.77%	14.22%	16.65%	19.76%	19.83%	19.76%			
33	13.93%	14.16%	17.39%	17.09%	22.62%	19.57%			
34	13.52%	13.06%	18.84%	22.63%	23.08%	20.80%			
35	11.43%	18.19%	19.36%	24.62%	26.64%	22.80%			
36	15.92%	10.77%	17.72%	19.20%	22.03%	18.63%			
37	12.18%			15.90%	20.43%	18.80%			
38	15.27%			20.08%	21.38%				
39	11.01%				20.60%				

New Conditional Sale

Cumulative Gross Credit Default: New Conditional Sale									
Month	2008	2009	2010	2011	2012	2013	2014	2015	2016*
0	0.00%	0.09%	0.03%	0.01%	0.03%	0.05%	0.07%	0.02%	0.00%
1	0.00%	0.10%	0.06%	0.02%	0.06%	0.10%	0.07%	0.03%	0.00%
2	0.03%	0.12%	0.06%	0.03%	0.07%	0.15%	0.07%	0.03%	
3	0.03%	0.12%	0.09%	0.04%	0.09%	0.17%	0.07%	0.04%	
4	0.06%	0.13%	0.13%	0.08%	0.10%	0.19%	0.07%	0.08%	
5	0.19%	0.15%	0.14%	0.09%	0.12%	0.23%	0.07%	0.09%	
6	0.32%	0.16%	0.15%	0.13%	0.15%	0.26%	0.11%	0.10%	
7	0.39%	0.16%	0.17%	0.14%	0.17%	0.27%	0.12%	0.14%	
8	0.39%	0.17%	0.21%	0.14%	0.21%	0.32%	0.14%		

Cumulative Gross Credit Default: New Conditional Sale									
Month	2008	2009	2010	2011	2012	2013	2014	2015	2016*
9	0.52%	0.18%	0.23%	0.16%	0.24%	0.37%	0.16%		
10	0.55%	0.19%	0.23%	0.18%	0.27%	0.39%	0.18%		
11	0.63%	0.20%	0.27%	0.19%	0.30%	0.41%	0.22%		
12	0.71%	0.22%	0.33%	0.20%	0.32%	0.42%	0.23%		
13	0.86%	0.23%	0.34%	0.23%	0.36%	0.43%	0.27%		
14	0.91%	0.23%	0.35%	0.25%	0.41%	0.45%	0.31%		
15	0.97%	0.25%	0.36%	0.26%	0.43%	0.47%	0.32%		
16	1.04%	0.26%	0.36%	0.28%	0.44%	0.48%	0.32%		
17	1.11%	0.27%	0.38%	0.31%	0.46%	0.49%	0.38%		
18	1.12%	0.27%	0.40%	0.33%	0.46%	0.50%	0.41%		
19	1.12%	0.28%	0.43%	0.34%	0.47%	0.52%	0.43%		
20	1.22%	0.31%	0.45%	0.37%	0.49%	0.54%			
21	1.32%	0.32%	0.45%	0.39%	0.51%	0.54%			
22	1.32%	0.33%	0.47%	0.40%	0.51%	0.55%			
23	1.37%	0.34%	0.48%	0.40%	0.52%	0.56%			
24	1.37%	0.35%	0.51%	0.42%	0.52%	0.57%			
25	1.45%	0.36%	0.54%	0.43%	0.53%	0.57%			
26	1.48%	0.37%	0.56%	0.43%	0.54%	0.59%			
27	1.52%	0.38%	0.57%	0.43%	0.54%	0.60%			
28	1.52%	0.39%	0.60%	0.43%	0.54%	0.61%			
29	1.52%	0.39%	0.62%	0.44%	0.55%	0.62%			
30	1.56%	0.40%	0.63%	0.45%	0.55%	0.62%			
31	1.58%	0.41%	0.67%	0.45%	0.56%	0.64%			
32	1.58%	0.42%	0.67%	0.46%	0.57%				
33	1.58%	0.43%	0.68%	0.46%	0.58%				
34	1.58%	0.43%	0.68%	0.46%	0.58%				
35	1.63%	0.44%	0.69%	0.46%	0.59%				
36	1.67%	0.46%	0.69%	0.46%	0.60%				
37	1.67%	0.46%	0.70%	0.46%	0.60%				
38	1.67%	0.46%	0.70%	0.46%	0.61%				
39	1.67%	0.46%	0.70%	0.47%	0.62%				
40	1.73%	0.47%	0.70%	0.47%	0.62%				
41	1.76%	0.48%	0.71%	0.47%	0.62%				
42	1.85%	0.48%	0.71%	0.47%	0.62%				
43	1.85%	0.48%	0.71%	0.47%	0.63%				
44	1.85%	0.48%	0.71%	0.47%					
45	1.85%	0.49%	0.71%	0.47%					
46	1.85%	0.49%	0.71%	0.47%					
47	1.85%	0.49%	0.72%	0.48%					
48	1.85%	0.50%	0.72%	0.48%					
49	1.85%	0.50%	0.72%	0.48%					
50	1.86%	0.51%	0.72%	0.48%					
51	1.86%	0.51%	0.72%	0.48%					
52	1.86%	0.51%	0.72%	0.48%					
53	1.86%	0.51%	0.72%	0.48%					
54	1.86%	0.51%	0.72%	0.48%					
55	1.87%	0.51%	0.72%	0.48%					
56	1.90%	0.51%	0.72%						
57	1.90%	0.51%	0.74%						
58	1.90%	0.51%	0.74%						
59	1.90%	0.51%	0.74%						
60	1.90%	0.51%	0.74%						
61	1.90%	0.51%	0.74%						
62	1.90%	0.51%	0.74%						
63	1.90%	0.51%	0.74%						
64	1.90%	0.51%	0.74%						
65	1.90%	0.51%	0.74%						
66	1.90%	0.51%	0.74%						
67	1.90%	0.51%	0.74%						
68	1.90%	0.51%							
69	1.90%	0.51%							
70	1.90%	0.51%							
71	1.90%	0.51%							
72	1.90%	0.51%							

Cumulative Recovery from Credit Default: New Conditional Sale								
Year of Default	2009	2010	2011	2012	2013	2014	2015	2016*
Initial	58.25%	43.58%	47.79%	51.08%	46.06%	54.83%	45.37%	41.07%
0	58.71%	46.44%	48.20%	53.24%	48.87%	57.03%	48.17%	41.28%
1	64.27%	47.65%	50.16%	55.42%	51.15%	60.01%		
2	65.57%	49.93%	53.04%	57.97%	52.47%			
3	66.38%	50.08%	54.23%	59.15%				
4	66.45%	50.29%	54.46%					
5	66.45%	50.48%						
6	66.45%							

Vintage Delinquency (Greater than 30 days delinquent) : New Conditional Sale									
Month	2008	2009	2010	2011	2012	2013	2014	2015	2016
0	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%
1	0.33%	0.19%	0.17%	0.21%	0.26%	0.18%	0.18%	0.07%	0.05%
2	0.10%	0.08%	0.09%	0.08%	0.07%	0.13%	0.06%	0.03%	0.00%
3	0.18%	0.11%	0.11%	0.12%	0.13%	0.13%	0.06%	0.10%	0.03%
4	0.24%	0.16%	0.17%	0.15%	0.21%	0.18%	0.11%	0.11%	0.09%
5	0.22%	0.17%	0.20%	0.11%	0.22%	0.22%	0.21%	0.22%	0.12%
6	0.39%	0.21%	0.19%	0.17%	0.28%	0.21%	0.28%	0.25%	0.39%
7	0.48%	0.18%	0.24%	0.24%	0.29%	0.26%	0.29%	0.38%	
8	0.79%	0.15%	0.27%	0.19%	0.29%	0.28%	0.26%	0.40%	
9	0.66%	0.20%	0.34%	0.25%	0.33%	0.35%	0.28%	0.60%	
10	0.62%	0.26%	0.31%	0.27%	0.32%	0.39%	0.35%	0.65%	
11	1.11%	0.23%	0.38%	0.29%	0.30%	0.40%	0.43%	0.68%	
12	0.87%	0.31%	0.38%	0.37%	0.37%	0.37%	0.46%	0.89%	
13	0.96%	0.26%	0.48%	0.31%	0.45%	0.29%	0.42%	0.82%	
14	1.13%	0.27%	0.44%	0.31%	0.37%	0.28%	0.57%	0.80%	
15	0.93%	0.25%	0.46%	0.33%	0.41%	0.33%	0.72%	0.81%	
16	1.48%	0.32%	0.48%	0.39%	0.39%	0.35%	0.73%	0.86%	
17	1.05%	0.26%	0.41%	0.27%	0.32%	0.40%	0.70%	0.99%	
18	1.37%	0.36%	0.47%	0.31%	0.43%	0.47%	0.75%		
19	1.22%	0.34%	0.45%	0.44%	0.46%	0.47%	0.70%		
20	1.00%	0.39%	0.41%	0.44%	0.47%	0.53%	0.86%		
21	0.88%	0.42%	0.55%	0.34%	0.40%	0.56%	0.79%		
22	0.68%	0.43%	0.61%	0.44%	0.42%	0.54%	0.97%		
23	0.85%	0.49%	0.58%	0.42%	0.45%	0.63%	0.89%		
24	1.07%	0.54%	0.58%	0.46%	0.49%	0.69%	0.90%		
25	1.16%	0.73%	0.73%	0.42%	0.48%	0.82%	1.14%		
26	1.38%	0.66%	0.69%	0.46%	0.54%	0.86%	1.50%		
27	1.81%	0.67%	0.83%	0.49%	0.58%	0.90%	1.28%		
28	1.72%	0.77%	0.99%	0.48%	0.63%	1.05%			
29	2.02%	0.67%	1.06%	0.40%	0.67%	1.21%			
30	1.66%	0.77%	1.12%	0.55%	0.82%	1.29%			
31	1.35%	0.83%	1.15%	0.83%	0.88%	1.40%			
32	1.71%	0.75%	1.14%	0.73%	0.91%	1.61%			
33	2.20%	0.58%	1.40%	0.91%	1.01%	1.55%			
34	2.59%	0.74%	1.91%	0.95%	1.07%	1.66%			
35	2.94%			1.01%	1.29%	1.62%			
36	2.97%			1.22%	1.31%	1.67%			
37	2.31%				1.33%	1.57%			
38	3.01%				1.38%				

Periodic CPR: New Conditional Sale									
Month	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	10.73%	2.84%	3.25%	3.33%	2.17%	2.34%	4.36%	6.40%	5.54%
2	5.64%	2.39%	4.06%	3.49%	2.64%	2.23%	4.95%	7.10%	10.12%
3	5.70%	2.93%	5.39%	4.10%	3.55%	2.90%	4.85%	4.98%	3.93%
4	4.32%	3.27%	4.55%	5.75%	3.71%	2.81%	5.14%	6.32%	2.71%
5	7.07%	3.67%	5.11%	6.78%	3.59%	3.90%	4.32%	6.61%	1.05%
6	5.39%	4.77%	5.72%	6.21%	3.55%	3.71%	4.05%	6.78%	0.84%
7	6.71%	4.21%	4.64%	5.51%	3.99%	3.58%	6.61%	6.59%	
8	3.49%	5.04%	5.52%	5.80%	4.44%	4.21%	6.44%	5.91%	
9	7.00%	4.80%	4.91%	5.83%	4.84%	4.74%	6.67%	4.88%	
10	8.00%	5.16%	7.18%	8.59%	5.94%	5.85%	7.98%	5.73%	
11	8.48%	7.76%	8.09%	8.47%	7.39%	8.01%	9.79%	5.84%	
12	7.58%	6.86%	5.90%	7.27%	6.53%	5.31%	8.77%	5.97%	
13	6.16%	4.53%	5.72%	7.57%	6.16%	5.99%	9.11%	8.14%	
14	7.30%	5.94%	5.03%	7.52%	5.85%	5.89%	8.90%	8.02%	
15	10.45%	5.32%	6.65%	8.58%	6.72%	6.03%	8.34%	8.11%	
16	4.83%	5.80%	7.17%	8.79%	7.30%	7.25%	7.98%	4.58%	

Periodic CPR: New Conditional Sale									
Month	2008	2009	2010	2011	2012	2013	2014	2015	2016
17	3.16%	5.69%	7.84%	9.18%	8.01%	8.07%	7.57%	1.62%	
18	5.09%	7.15%	7.51%	9.43%	7.91%	7.34%	11.98%	2.91%	
19	4.91%	7.19%	6.10%	12.32%	7.99%	10.28%	14.69%		
20	8.00%	7.80%	6.52%	11.00%	9.26%	9.70%	10.45%		
21	10.77%	7.53%	9.44%	14.07%	11.01%	11.05%	8.87%		
22	12.14%	9.68%	10.61%	13.06%	12.49%	13.33%	13.54%		
23	14.80%	11.29%	14.40%	16.58%	14.66%	17.48%	11.71%		
24	8.03%	9.03%	13.02%	17.31%	11.19%	17.83%	16.31%		
25	16.19%	8.02%	10.51%	12.34%	12.35%	13.58%	10.66%		
26	7.64%	8.79%	10.96%	13.82%	12.61%	14.19%	10.28%		
27	13.92%	9.01%	12.76%	15.93%	12.69%	15.60%	7.03%		
28	7.02%	8.05%	13.81%	16.14%	13.09%	15.39%	10.07%		
29	10.97%	13.62%	12.54%	16.22%	15.59%	15.67%			
30	17.16%	11.27%	12.82%	17.89%	15.85%	16.11%			
31	9.22%	11.44%	12.19%	19.85%	15.97%	18.25%			
32	10.35%	12.62%	14.23%	19.74%	21.08%	17.37%			
33	12.66%	14.82%	16.86%	15.06%	22.01%	19.77%			
34	19.77%	13.14%	19.61%	22.14%	22.58%	23.51%			
35	13.46%	23.33%	21.06%	32.21%	30.85%	24.15%			
36	18.81%			18.38%	20.66%	17.47%			
37	6.13%			14.59%	17.61%	17.84%			
38	7.99%				18.14%	13.61%			
39	11.11%				18.91%				

Used Conditional Sale

Cumulative Gross Credit Default: Used Conditional Sale									
Month	2008	2009	2010	2011	2012	2013	2014	2015	2016*
0	0.13%	0.10%	0.18%	0.10%	0.12%	0.08%	0.07%	0.10%	0.00%
1	0.22%	0.13%	0.27%	0.12%	0.15%	0.09%	0.11%	0.13%	0.01%
2	0.30%	0.19%	0.30%	0.17%	0.17%	0.12%	0.12%	0.15%	
3	0.37%	0.24%	0.36%	0.20%	0.21%	0.14%	0.14%	0.21%	
4	0.49%	0.30%	0.44%	0.23%	0.23%	0.17%	0.14%	0.26%	
5	0.60%	0.38%	0.51%	0.27%	0.25%	0.20%	0.18%	0.32%	
6	0.82%	0.42%	0.58%	0.32%	0.29%	0.22%	0.20%	0.36%	
7	0.87%	0.47%	0.65%	0.35%	0.33%	0.24%	0.25%	0.42%	
8	0.90%	0.57%	0.76%	0.39%	0.37%	0.29%	0.30%	0.42%	
9	1.03%	0.62%	0.85%	0.44%	0.41%	0.33%	0.32%		
10	1.14%	0.70%	0.95%	0.48%	0.45%	0.35%	0.35%		
11	1.37%	0.78%	1.01%	0.54%	0.48%	0.37%	0.41%		
12	1.49%	0.85%	1.08%	0.58%	0.51%	0.38%	0.42%		
13	1.61%	0.91%	1.13%	0.62%	0.54%	0.42%	0.44%		
14	1.70%	1.00%	1.19%	0.66%	0.57%	0.44%	0.46%		
15	1.79%	1.04%	1.22%	0.69%	0.59%	0.47%	0.50%		
16	1.91%	1.10%	1.27%	0.71%	0.62%	0.47%	0.52%		
17	2.01%	1.16%	1.33%	0.74%	0.65%	0.48%	0.55%		
18	2.07%	1.21%	1.38%	0.77%	0.67%	0.51%	0.58%		
19	2.15%	1.28%	1.43%	0.80%	0.68%	0.52%	0.60%		
20	2.22%	1.32%	1.47%	0.84%	0.71%	0.53%	0.60%		
21	2.30%	1.35%	1.50%	0.88%	0.73%	0.54%			
22	2.35%	1.41%	1.54%	0.90%	0.73%	0.55%			
23	2.40%	1.48%	1.57%	0.91%	0.75%	0.57%			
24	2.44%	1.53%	1.60%	0.92%	0.75%	0.58%			
25	2.48%	1.56%	1.63%	0.94%	0.77%	0.59%			
26	2.50%	1.59%	1.65%	0.95%	0.78%	0.59%			
27	2.55%	1.61%	1.68%	0.97%	0.79%	0.61%			
28	2.60%	1.64%	1.70%	0.99%	0.80%	0.62%			
29	2.63%	1.68%	1.74%	1.00%	0.81%	0.63%			
30	2.67%	1.71%	1.74%	1.00%	0.82%	0.64%			
31	2.69%	1.73%	1.76%	1.01%	0.83%	0.67%			
32	2.70%	1.76%	1.78%	1.03%	0.84%	0.67%			
33	2.74%	1.79%	1.79%	1.04%	0.85%				
34	2.77%	1.82%	1.81%	1.05%	0.85%				
35	2.81%	1.84%	1.81%	1.06%	0.86%				
36	2.83%	1.85%	1.82%	1.07%	0.87%				
37	2.85%	1.87%	1.83%	1.08%	0.88%				
38	2.87%	1.88%	1.83%	1.09%	0.89%				
39	2.91%	1.89%	1.84%	1.10%	0.89%				
40	2.92%	1.89%	1.85%	1.10%	0.90%				
41	2.94%	1.91%	1.86%	1.10%	0.91%				
42	2.95%	1.91%	1.86%	1.11%	0.92%				

Cumulative Gross Credit Default: Used Conditional Sale									
Month	2008	2009	2010	2011	2012	2013	2014	2015	2016*
43	2.96%	1.92%	1.86%	1.11%	0.93%				
44	2.96%	1.94%	1.87%	1.12%	0.93%				
45	2.97%	1.94%	1.87%	1.12%					
46	2.98%	1.94%	1.87%	1.12%					
47	2.98%	1.94%	1.87%	1.13%					
48	3.00%	1.95%	1.88%	1.13%					
49	3.00%	1.95%	1.89%	1.13%					
50	3.00%	1.96%	1.89%	1.14%					
51	3.01%	1.96%	1.90%	1.14%					
52	3.01%	1.96%	1.90%	1.14%					
53	3.02%	1.97%	1.90%	1.14%					
54	3.02%	1.97%	1.90%	1.14%					
55	3.02%	1.97%	1.90%	1.15%					
56	3.03%	1.97%	1.90%	1.15%					
57	3.03%	1.97%	1.91%						
58	3.03%	1.97%	1.91%						
59	3.04%	1.97%	1.91%						
60	3.04%	1.97%	1.91%						
61	3.04%	1.98%	1.91%						
62	3.04%	1.98%	1.91%						
63	3.04%	1.98%	1.92%						
64	3.04%	1.98%	1.92%						
65	3.04%	1.98%	1.92%						
66	3.04%	1.98%	1.92%						
67	3.04%	1.99%	1.92%						
68	3.04%	1.99%	1.92%						
69	3.04%	1.99%							
70	3.04%	1.99%							
71	3.04%	1.99%							
72	3.04%	1.99%							

Cumulative Recovery from Credit Default: Used Conditional Sale									
Year of Default	2008	2009	2010	2011	2012	2013	2014	2015	2016*
Initial	43.88%	45.56%	44.67%	35.63%	39.78%	40.74%	54.23%	43.39%	40.82%
0	44.11%	46.45%	46.80%	36.88%	41.70%	41.60%	55.98%	45.59%	42.16%
1	44.55%	49.31%	49.79%	39.72%	44.93%	44.10%	59.90%		
2	44.96%	53.14%	51.61%	40.80%	46.62%	45.84%			
3	45.20%	55.80%	52.78%	41.72%	47.87%				
4	45.35%	57.25%	53.60%	42.87%					
5	45.93%	58.08%	54.07%						
6	46.66%	58.62%							
7	47.48%								

Vintage Delinquency (Greater than 30 days delinquent) : Used Conditional Sale									
Month	2008	2009	2010	2011	2012	2013	2014	2015	2016
0	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1	0.40%	0.59%	0.38%	0.37%	0.22%	0.23%	0.16%	0.13%	0.06%
2	0.33%	0.27%	0.29%	0.21%	0.15%	0.10%	0.10%	0.18%	0.14%
3	0.49%	0.40%	0.46%	0.26%	0.19%	0.16%	0.15%	0.30%	0.29%
4	0.64%	0.55%	0.55%	0.32%	0.25%	0.21%	0.22%	0.40%	0.37%
5	0.82%	0.68%	0.69%	0.37%	0.36%	0.27%	0.29%	0.59%	0.49%
6	0.94%	0.72%	0.75%	0.43%	0.36%	0.30%	0.37%	0.60%	0.50%
7	1.07%	0.75%	0.81%	0.57%	0.42%	0.31%	0.41%	0.72%	
8	1.30%	0.81%	0.89%	0.59%	0.43%	0.37%	0.47%	0.78%	
9	1.40%	0.98%	0.94%	0.61%	0.46%	0.42%	0.51%	0.83%	
10	1.57%	1.20%	1.07%	0.61%	0.47%	0.41%	0.56%	0.85%	
11	1.80%	1.12%	1.09%	0.67%	0.56%	0.43%	0.61%	0.92%	
12	1.85%	1.25%	1.12%	0.67%	0.62%	0.48%	0.69%	0.87%	
13	2.08%	1.25%	1.21%	0.77%	0.58%	0.45%	0.77%	0.90%	
14	2.26%	1.20%	1.34%	0.83%	0.62%	0.47%	0.80%	0.97%	
15	2.09%	1.25%	1.27%	0.85%	0.60%	0.52%	0.84%	0.89%	
16	2.10%	1.36%	1.26%	0.86%	0.66%	0.59%	0.88%	0.93%	
17	1.90%	1.39%	1.24%	0.89%	0.65%	0.57%	1.01%	1.03%	
18	1.80%	1.44%	1.22%	0.88%	0.75%	0.54%	0.96%		
19	1.82%	1.52%	1.36%	0.93%	0.73%	0.55%	1.00%		
20	1.96%	1.61%	1.42%	1.02%	0.82%	0.65%	1.04%		
21	2.27%	1.54%	1.52%	0.91%	0.84%	0.75%	1.03%		
22	2.29%	1.66%	1.55%	1.10%	0.90%	0.82%	1.12%		
23	2.23%	2.01%	1.53%	1.03%	0.95%	0.92%	1.15%		

Vintage Delinquency (Greater than 30 days delinquent) : Used Conditional Sale									
Month	2008	2009	2010	2011	2012	2013	2014	2015	2016
24	2.02%	2.13%	1.58%	1.12%	1.10%	1.02%	1.19%		
25	2.00%	2.19%	1.72%	1.22%	1.08%	1.08%	1.31%		
26	2.63%	2.14%	1.78%	1.24%	1.14%	1.17%	1.36%		
27	2.55%	2.25%	1.99%	1.32%	1.20%	1.21%	1.42%		
28	2.53%	2.35%	1.99%	1.51%	1.33%	1.26%	1.54%		
29	2.71%	2.41%	2.01%	1.69%	1.41%	1.36%			
30	2.92%	2.48%	2.31%	1.69%	1.37%	1.46%			
31	3.13%	2.63%	2.45%	1.76%	1.58%	1.42%			
32	3.72%	2.79%	2.39%	1.78%	1.73%	1.57%			
33	3.51%	2.72%	2.66%	1.82%	1.89%	1.55%			
34	2.89%	2.70%	2.77%	2.08%	1.99%	1.66%			
35	3.22%	2.76%	3.08%	2.15%	2.09%	1.75%			
36	3.50%	3.17%	3.27%	2.31%	2.05%				
37	3.53%	3.49%		2.43%	2.14%				
38	4.07%			2.39%	2.34%				

Periodic CPR: Used Conditional Sale									
Month	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	5.92%	5.44%	5.61%	6.56%	7.16%	7.94%	6.98%	8.49%	7.83%
2	6.64%	6.00%	6.70%	7.33%	7.51%	8.97%	8.60%	8.17%	7.37%
3	8.20%	6.30%	8.66%	8.56%	7.70%	8.58%	8.23%	10.13%	6.90%
4	7.36%	7.01%	8.30%	8.61%	7.95%	9.66%	8.70%	10.69%	6.35%
5	9.43%	7.52%	9.10%	10.42%	9.07%	8.64%	10.08%	10.04%	4.84%
6	8.42%	8.16%	9.34%	9.73%	10.83%	10.12%	9.81%	10.38%	3.65%
7	8.07%	9.21%	8.63%	8.59%	10.24%	10.55%	10.92%	10.96%	
8	6.55%	9.14%	9.51%	9.73%	11.91%	10.74%	9.96%	9.08%	
9	9.68%	9.02%	9.70%	9.67%	11.36%	11.29%	12.46%	10.02%	
10	8.32%	10.83%	11.09%	11.72%	13.40%	12.48%	12.74%	11.08%	
11	7.96%	12.32%	11.84%	12.82%	14.03%	13.66%	16.39%	12.61%	
12	10.56%	10.08%	11.29%	12.28%	12.82%	12.38%	13.74%	11.83%	
13	8.23%	10.25%	9.51%	11.70%	13.05%	11.96%	13.97%	11.20%	
14	7.57%	9.97%	10.78%	12.04%	12.98%	13.57%	13.44%	10.54%	
15	8.35%	10.16%	10.94%	13.30%	13.91%	13.74%	13.95%	10.83%	
16	10.69%	10.32%	11.50%	13.58%	14.93%	13.21%	16.96%	9.04%	
17	10.22%	11.66%	11.78%	14.38%	15.01%	13.73%	17.50%	10.27%	
18	11.46%	11.02%	11.85%	14.31%	16.70%	15.07%	16.21%	4.46%	
19	12.19%	11.04%	11.12%	14.91%	14.13%	16.11%	15.65%		
20	11.40%	13.37%	10.94%	15.64%	16.07%	15.71%	16.58%		
21	10.01%	12.76%	12.26%	15.63%	16.90%	18.70%	15.80%		
22	13.01%	13.09%	15.47%	18.75%	19.29%	20.82%	16.10%		
23	12.45%	13.66%	14.83%	18.28%	18.27%	21.44%	16.52%		
24	12.85%	13.79%	14.53%	17.52%	18.48%	19.87%	16.71%		
25	11.70%	12.72%	14.82%	16.53%	16.59%	19.93%	13.81%		
26	11.57%	12.56%	14.11%	17.52%	18.65%	19.11%	14.10%		
27	11.84%	13.77%	15.14%	17.94%	16.83%	19.77%	12.74%		
28	11.71%	14.09%	14.81%	18.92%	18.13%	20.02%	12.28%		
29	11.82%	10.81%	15.71%	18.80%	18.10%	20.82%	10.17%		
30	11.05%	13.24%	15.25%	18.76%	18.98%	18.92%			
31	14.52%	12.19%	16.32%	20.37%	18.81%	23.56%			
32	10.89%	15.04%	17.59%	19.76%	18.70%	21.49%			
33	14.28%	13.84%	17.60%	17.64%	23.15%	19.42%			
34	11.64%	13.02%	18.56%	22.76%	23.52%	18.53%			
35	10.84%	15.86%	18.78%	22.51%	22.73%	21.58%			
36	15.10%	10.80%	17.70%	19.41%	23.22%	19.76%			
37	13.81%	13.20%	16.48%	16.21%	22.84%				
38	17.20%	13.77%		20.34%	24.17%				
39	10.99%			21.62%	22.10%				

3. Voluntary Termination Data

The following statistical information sets out certain historical data in respect of the Purchased Receivables that are Voluntary Terminations (each, a VT). The information set out below in respect of the provisional Portfolio may not necessarily correspond to that of the Purchased Receivables on the Closing Date. After the Closing Date, the Portfolio will change from time to time as a result of repayment, prepayments or repurchase of Purchased Receivables.

Month where VT occurred	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Losses on Loans that have VT'd	28,232	7,423	13,076	27,788	23,723	58,076	35,528	108,325	£70,567	56,136	89,578	91,706
Principal Balance of Loans Eligible to VT (£)	202,927,986	201,041,066	202,956,075	202,772,820	203,446,177	203,583,029	205,377,403	211,129,935	219,192,189	222,534,392	225,125,503	224,953,837
% of Principal Balance of Eligible Loans at time of VT	0.01	0.00	0.01	0.01	0.01	0.03	0.02	0.05	0.03	0.03	0.04	0.04
Month where VT occurred	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Losses on Loans that have VT'd	119,616	130,897	105,491	101,047	108,955	89,466	124,615	53,545	37,708	31,056	57,815	66,941
Principal Balance of Loans Eligible to VT (£)	229,814,508	238,633,357	254,987,544	265,140,262	275,297,428	288,465,266	307,567,002	322,522,888	370,808,855	395,857,252	418,154,337	439,226,962
% of Principal Balance of Eligible Loans at time of VT	0.05	0.05	0.04	0.04	0.04	0.03	0.04	0.02	0.01	0.01	0.01	0.02
Month where VT occurred	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Losses on Loans that have VT'd	44,455	52,790	89,122	45,567	84,102	44,652	42,174	44,355	65,606	58,370	61,374	50,980
Principal Balance of Loans Eligible to VT (£)	460,347,695	484,000,399	542,555,406	572,016,654	599,819,298	630,178,568	656,577,734	674,418,166	713,479,489	729,762,604	740,000,815	744,195,351
% of Principal Balance of Eligible Loans at time of VT	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Month where VT occurred	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Losses on Loans that have VT'd	67,209	38,307	47,282	83,772	108,014	55,729	111,072	59,979	147,905	66,475	145,832	124,021
Principal Balance of Loans Eligible to VT (£)	754,600,839	761,648,317	808,106,236	831,554,839	857,892,867	883,304,286	906,481,525	920,215,431	950,144,673	964,744,412	973,421,332	975,788,639
% of Principal Balance of Eligible Loans at time of VT	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.01	0.01	0.01
Month where VT occurred	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Losses on Loans that have VT'd	155,749	89,876	111,598	92,388	139,014	148,521	168,075	119,869	119,079	155,976	155,948	166,724
Principal Balance of Loans Eligible to VT (£)	990,144,753	995,118,646	1,023,468,331	1,041,264,555	1,070,655,742	1,103,194,537	1,122,326,834	1,122,094,605	1,158,983,360	1,164,048,635	1,164,428,042	1,153,089,699
% of Principal Balance of Eligible Loans at time of VT	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01

Information Tables Regarding the Portfolio

Month where VT occurred	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Losses on Loans that have VT'd	180,346	112,521	140,151	118,747	90,694	135,816	86,907	143,292	152,860	124,453	88,229	160,222
Principal Balance of Loans Eligible to VT (£)	1,155,184,695	1,150,065,729	1,185,789,446	1,193,812,990	1,207,831,119	1,219,575,471	1,221,105,991	1,220,107,085	1,255,250,824	1,299,467,296	1,299,131,074	1,292,980,036
% of Principal Balance of Eligible Loans at time of VT	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Month where VT occurred	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Losses on Loans that have VT'd	181,940	94,247	123,825	143,505	121,588	96,479	149,889	106,251	194,035	88,341	85,996	169,330
Principal Balance of Loans Eligible to VT (£)	1,296,077,363	1,288,646,114	1,306,396,682	1,303,053,649	1,307,116,980	1,309,438,971	1,307,987,003	1,304,711,029	1,313,670,464	1,316,845,353	1,311,346,909	1,297,281,846
% of Principal Balance of Eligible Loans at time of VT	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Month where VT occurred	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Losses on Loans that have VT'd	84,888	254,111	179,731	141,432	178,665	172,000	172,000	238,131	214,190	173,686	258,047	279,174
Principal Balance of Loans Eligible to VT (£)	1,297,282,041	1,298,976,612	1,305,854,111	1,309,615,323	1,309,667,842	1,307,744,482	1,312,725,842	1,307,263,954	1,312,168,183	1,314,205,527	1,312,155,914	1,300,776,124
% of Principal Balance of Eligible Loans at time of VT	0.01	0.02	0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.01	0.02	0.02
Month where VT occurred	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16				
Losses on Loans that have VT'd	173,441	274,718	222,701	242,630	369,678	261,831	247,285	186,141				
Principal Balance of Loans Eligible to VT (£)	1,298,189,045	1,283,614,596	1,288,294,194	1,284,940,859	1,278,311,008	1,277,807,792	1,276,068,991	1,271,932,628				
% of Principal Balance of Eligible Loans at time of VT	0.01	0.02	0.02	0.02	0.03	0.02	0.02	0.01				

CREDIT AND COLLECTION POLICY

The following is a description of the Credit and Collection Policy which must be complied with in respect to the origination and servicing of the Purchased Receivables and the Related Collateral.

1. Credit Policies

Scoring Module

SC UK's scorecard cut-off strategy evolves in reaction to business strategy and macro-economic events. SC UK benefits from using a specialist "Decision Sciences" unit at Santander Consumer Finance divisional level (note that SC UK is one of a number of Santander Consumer Finance units within Europe) to assist in internal development of the card. The latest scorecard benefits from increasingly sophisticated credit reference agency data. The scorecard utilises data from Experian Limited, which provides additional background into a customer's credit history.

The scorecard sits within the "Modellica" decision engine, accumulating "points" for a proposal against particular customer characteristics. Characteristics such as loan to value and vehicle age are assessed and combined to create an overall score. In addition, information is taken from credit reference agencies to assess a customer's credit history. The risk professionals in SC UK and at Santander Consumer Finance, S.A. assess what business sits above and below the number of points for a score and "accept" decision. The score is also used to determine the product on which SC UK would like to write the credit risk. SC UK's scorecard is monitored through comparison of actual performance as compared against the development sample used in the building of the scorecard. While SC UK employs a credit scoring model in the application approval process as part of its credit risk control procedure, credit scoring does not eliminate all credit risk. The scorecard performance is monitored closely within the company and reported on a monthly basis within the Retail Risk department and quarterly through the SC UK Risk Committee.

Underwriting

Retail underwriters structure some of the agreements originated by SC UK individually depending upon the risk profile of the customer, with particular emphasis on the following underwriting criteria: (i) asset type and quality; (ii) future loan to value ratio; (iii) affordability and indebtedness measures; (iv) customer stability; and (v) product. Agreements originated by SC UK generally are approved based upon its credit policy guidelines.

Underwriters are mandated to approve exceptions (policy override) provided rationale is supplied. The Retail Risk department monitors policy overrides on a daily basis and reports them monthly within the Quality Monitoring meeting and the SC UK Risk Committee.

Retail Risk Management

Overview

SC UK's Risk department monitors origination activities and portfolio performance and supports senior operations management with respect to the origination of agreements by SC UK.

The SC UK Risk department monitors portfolio performance at a variety of levels including total company, market and manufacturer, introducer and individual agreement. The analysis of the results is the basis for on-going changes to origination strategies. The department also monitors adherence to underwriting guidelines.

2. Arrears Management

The Collections team manage early stage arrears (being arrears up to around 90 days past due) and late arrears (being anything above that), including agreements that have been written off but are suitable for recovery. Regular training and quality monitoring is undertaken to ensure that the teams are performing to the required standard.

The following types of agreement are also managed within the Arrears Management function albeit that may not necessarily be in arrears at the time of notification:

- Bankruptcy
- Insolvency

- Financial Difficulties
- Vulnerable Customers
- Deceased Customers

3. Credit Recoveries Process

3.1 Conditional Sale Agreements

The product type will determine what enforcement options are available and what steps SC UK will go through during its arrears process.

Conditional Sale Agreements provide finance for the supply of a financed vehicle by SC UK to the customer. SC UK purchases the financed vehicle from the dealer before SC UK enters into the underlying agreement, and retains title to and a right to take possession of the financed vehicle under the underlying agreement, subject to the rights of the customer.

When an agreement is two instalments in arrears, unless an arrangement is in place with the customer to pay the arrears, a default notice is sent. If there is no response to these letters, a termination letter is sent. If the agreement is under one-third paid, it is passed to an internal Debt Recovery Unit (the **DRU**) for repossession activity, and if it is at least one-third paid, it is passed to the DRU to pursue the customer for the return of the financed vehicle, if appropriate, or for the balance outstanding if the financed vehicle is not worth pursuing.

Prior to legal action, agreements that are at least one-third paid are passed to SC UK's authorised agents to physically call at the customer's address to attempt to obtain a surrender of the financed vehicle, or payment of the arrears, provided the balance is over £500. If the balance is under £500, SC UK can instruct agents to attempt to collect via phone and letter.

3.2 Voluntary Terminations

In the case of regulated Conditional Sale Agreements, the customer has a statutory right to terminate the underlying agreement at any time by written notice, provided that the underlying agreement has not been terminated by SC UK or by payment in full or otherwise. The amount payable by the customer on Voluntary Termination is limited by statute to paying or having paid at least one-half of the total amount payable for the financed vehicle, plus any arrears and damages for breach.

On receipt of the customer's written notice of Voluntary Termination, strict procedures are in place to ensure that the financed vehicle is collected as quickly as possible, and the customer is formally advised of any liability he has. SC UK's recovery agents are then instructed to collect the financed vehicle and deliver it to its preferred auction services supplier, which is currently Manheim Limited, at a designated auction site for sale on SC UK's behalf. Once the net sale proceeds have been received, the agreement is reviewed; if the agreement has zero liability outstanding then the agreement is closed down with any shortfall being written off. If the customer has an outstanding liability, then the recoveries action continues for the outstanding balance.

THE ISSUER

Introduction

The Issuer was incorporated and registered in England and Wales under the Companies Act 2006 with limited liability as a public limited company on 31 July 2015 under registered number 9713005 in the name of Motor 2015-2 PLC. The name of the Issuer was changed to Motor 2016-1 PLC on 22 August 2016. The issued share capital of the Issuer comprises 50,000 ordinary shares of £1 each, of which 49,999 shares are partly paid to £0.25 each and one of which is fully paid and all are held by Motor 2016-1 Holdings Limited (**Holdings**). The entire issued share capital of Holdings is held by the Share Trustee under the terms of a discretionary trust dated 13 August 2015 (the **Share Declaration of Trust**).

The Issuer was established as a special purpose vehicle for the purposes of issuing the Notes. The Issuer has no subsidiaries. The Seller does not own directly or indirectly any of the share capital of Holdings or the Issuer.

The Issuer's assets following the Closing Date will include:

- (i) the Purchased Receivables and Collections on the Purchased Receivables received after the relevant Reference Date;
- (ii) rights under the Underlying Agreements, including rights to receive any sums payable by Customers on early termination;
- (iii) recoveries under guarantees and proceeds from claims on any insurance policies which form part of the Related Collateral;
- (iv) rights in respect of amounts standing to the credit of the Issuer Accounts; and
- (v) rights under the Transaction Documents, including those relating to the repurchase of Purchased Receivables that do not meet the Eligibility Criteria.

The Issuer has not engaged, since its incorporation, in any material activities nor commenced operations other than those incidental to its registration as a public company under the Companies Act 2006 (as amended) and to the proposed issue of the Notes and the authorisation of the other Transaction Documents referred to in this Prospectus to which it is or will be a party and other matters which are incidental or ancillary to the foregoing. The Issuer has no employees.

As at the date of this Prospectus, the Issuer has not commenced operations and no statutory accounts have been prepared or delivered to the Registrar of Companies on behalf of the Issuer. The accounting reference date of the Issuer is 31 December and the first statutory accounts of the Issuer have been drawn up, on an unaudited basis, to 31 December 2015. The independent auditor of the Issuer is Deloitte LLP. Deloitte LLP is registered to carry on audit work in the United Kingdom by the Institute of Chartered Accountants in England and Wales.

Under the Corporate Administration Agreement, the Corporate Administrator will provide to the Issuer certain directors and other corporate services for the Issuer in consideration for the payment of an annual fee to the Corporate Administrator.

The Issuer is not, and does not expect to be, required to be registered as an investment company, as defined in Section 3(a)(1) of the Investment Company Act of 1940, as amended, and, although other statutory or regulatory exemptions under the Investment Company Act of 1940, as amended, may be available, is relying on an exemption therefrom set forth in Section 3(c)(5)(A) under the Investment Company Act.

Directors

The directors of the Issuer and their respective business addresses and principal activities are:

Name	Address	Principal Activity
Vinoy Nursiah	35 Great St. Helen's, London EC3A 6AP	Director
Intertrust Directors 1 Limited	35 Great St. Helen's, London EC3A 6AP	Director of special purpose companies
Intertrust Directors 2 Limited	35 Great St. Helen's, London EC3A 6AP	Director of special purpose companies

The Secretary of the Issuer is Intertrust Corporate Services Limited. Vinoy Nursiah, Intertrust Directors 1 Limited and Intertrust Directors 2 Limited also act as directors of special purpose vehicles other than the Issuer.

The registered office of the Issuer is at 35 Great St. Helen's, London EC3A 6AP, United Kingdom, telephone number +44 (0) 207 398 6300.

The directors of Holdings and their respective business addresses and principal activities are:

Name	Address	Principal Activity
Vinoy Nursiah	35 Great St. Helen's, London EC3A 6AP	Director
Intertrust Directors 1 Limited	35 Great St. Helen's, London EC3A 6AP	Director of special purpose companies
Intertrust Directors 2 Limited	35 Great St. Helen's, London EC3A 6AP	Director of special purpose companies

The company secretary of Holdings is Intertrust Corporate Services Limited.

CAPITALISATION AND INDEBTEDNESS STATEMENT

The following table shows the capitalisation and indebtedness of the Issuer as at the date of this document, adjusted for the issue of the Notes and the drawing of the Expenses Loan Advance under the Expenses Loan Agreement and the Liquidity Reserve Loan Advance under the Liquidity Reserve Loan Agreement:

Share Capital

Issued

50,000 Ordinary Shares of £1 each,

1 of which is fully paid up and

49,999 of which are one-quarter paid up..... £12,500.75

Borrowings

Class A Notes £528,000,000

Class B Notes £15,000,000

Class C Notes £30,000,000

Class D Notes £9,000,000

Class E Notes £13,000,000

Class F Notes £5,000,000

Expenses Loan Advance £1,500,000

Liquidity Reserve Loan Advance £9,222,500

The borrowings disclosed above are secured, but not guaranteed, and the Issuer has no other borrowings, whether secured or unsecured or guaranteed or unguaranteed.

As at the date hereof, save as disclosed above, the Issuer has no loan capital outstanding or created but unissued, no term loans outstanding and no other borrowings or indebtedness in the nature of borrowing nor any contingent liabilities or guarantees.

The current financial period of the Issuer will end on 31 December 2016.

THE SELLER AND THE SERVICER

Santander Consumer (UK) plc (**SC UK**) is incorporated in England and Wales and commenced trading on 1 August 2005. SC UK is a wholly owned subsidiary of Santander UK plc (**Santander UK**) and Santander UK is a wholly owned subsidiary of Santander UK Group Holdings plc. Information on Santander UK can be found on the following webpage: www.santander.co.uk/uk/about-santander-uk/about-us.

SC UK, as part of the Santander Consumer Finance (**SCF**) division of Banco Santander, is one of 15 Banco Santander SCF units in Europe. Across Europe, SCF's gross lending was EUR 85 billion as at 31 December 2015. SC UK's share of this lending represented 10% of SCF's gross lending as at this same date (Nordics: 15%, Germany: 37%, Poland: 4%, Spain: 13%, Italy: 6%, France: 10% and other: 6%). More information on SC UK can be found on the following website: www.santanderconsumer.com.

SCF has a number of captive arrangements with car manufacturers across the European SCF divisions. As at 31 December 2015, captive arrangements were in place with Kia, KTM, Harley-Davidson, Husqvarna, Hyundai, Mazda, Mitsubishi, Nissan, Opel, Suzuki and Volvo. In the United Kingdom, SC UK has captive relationships with Mazda and Volvo, in addition to joint ventures with Hyundai (Hyundai Capital UK Ltd) and PSA (PSA Finance UK Ltd), (as described further below). SC UK also has captive relationships with Husqvarna and KTM.

In February 2014, SCF entered into negotiations to create a framework agreement with PSA Peugeot Citroën and Banque PSA Finance, which has established a partnership between the two groups in 11 countries. The arrangement has taken the form of dedicated local partnerships in most countries, or, in some jurisdictions, commercial agreements. Further to these negotiations, an agreement was signed on 10 July 2014 with the transactions in the respective countries expected to close by the end of 2016. In connection with the framework agreement, SC UK subsequently acquired a 50% interest in a new joint venture, PSA Finance UK Ltd, in February 2015.

SC UK will act as both Seller and Servicer in connection with the transactions described in this Prospectus. As at 31 December 2015, SC UK had approximately 491 full-time equivalent employees and is one of the largest independent providers of new motor vehicle point-of-sale finance within the UK. SC UK provides motor finance throughout the United Kingdom, through intermediary relationships with car dealerships, selected dealer brokers and its manufacturer relationships described above. As at 31 December 2015, SC UK managed over 396,000 loans with an aggregate outstanding balance of over £3.5 billion and a further 143,000 loans for its joint venture with HCUK. In addition, SC UK provides wholesale funding to dealers, funding demonstrators and vehicle stock.

The SC UK business has grown through the evolution of new business levels, with balance sheet growth year on year since 2005, and new business levels above £1 billion per annum in each of 2009, 2010 and 2011, before increasing to over £1.5 billion in 2012. New business levels have remained at over £1.5 billion in each of 2013, 2014 and 2015. The addition of the PSA Joint Venture in 2015 contributed to the rise in new business to £3 billion in that year.

SC UK uses securitisation as a regular means to diversify its funding sources, and targets at least one securitisation transaction per year. SC UK has been engaged in the securitisation of assets since 2011. As at 31 December 2015, SC UK's total borrowings were £4,734 million (comprising approximately £3,900 million intercompany funding, £213 million funding raised through the Motor 2014 securitisation, and £628 million funding raised through the Motor 2015-1 securitisation). SC UK's balance sheet as at 31 December 2015 included £150 million share capital, £408 million retained reserves and £848 million of intercompany funding used to finance Hyundai Capital UK Ltd and £1,601 million used to finance PSA Finance UK Ltd. In addition to the Motor platform, SC UK's joint venture, Hyundai Capital UK Ltd, closed its third securitisation transaction in the UK in January 2016, raising £300 million. SC UK also closed a warehouse securitisation facility in August 2016.

All servicing and processing in connection with the transaction described in this Prospectus will be performed by SC UK as servicer. SC UK will be responsible for billing, collecting, accounting and posting all payments received with respect to the Purchased Receivables, responding to any Customer and guarantor enquiries, taking steps to maintain title to the Financed Vehicles and rights to other related collateral, coordinating the sale of repossessed vehicles, and generally monitoring each Purchased Receivable and the Related Collateral.

Only Receivables from SC UK will be sold as part of the transactions described in this Prospectus and will not be derived from any of the joint venture entities with which SC UK is connected.

THE TRUSTEE

U.S. Bank Trustees Limited (registered number 02379632) will be appointed pursuant to the Trust Deed and the Deed of Charge as the Trustee for the Noteholders.

U.S. Bank Trustees Limited is a limited liability company incorporated under the laws of England and Wales with its office at 125 Old Broad Street, London EC2N 1AR, United Kingdom.

U.S. Bank Trustees Limited, as part of the U.S. Bancorp group and in combination with Elavon Financial Services DAC (the legal entity through which European agency and banking appointments are conducted) and U.S. Bank National Association, (the legal entity through which the Corporate Trust Division conducts business in the United States), is one of the world's largest providers of trustee services with more than U.S.\$4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The division provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and document custody through its network of 48 U.S.-based offices, an Argentinean office and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB), with U.S.\$429 billion in assets as of 31 March 2016, is the parent company of U.S. Bank National Association, the 5th largest commercial bank in the United States. The Company operates 3,129 banking offices in 25 states and 4,954 ATMs and provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions. Visit U.S. Bancorp on the web at usbank.com.

The Trustee's duties are limited to those duties specifically set forth in the Trust Deed and the Deed of Charge.

THE ACCOUNT BANK, THE PRINCIPAL PAYING AGENT, THE AGENT BANK, THE REGISTRAR AND THE CASH ADMINISTRATOR

U.S. Bank Global Corporate Trust Services, which is a trading name of Elavon Financial Services DAC (a U.S. Bancorp group company), is an integral part of the worldwide Corporate Trust business of U.S. Bank. U.S. Bank Global Corporate Trust Services in Europe conducts business primarily through the U.K. Branch of Elavon Financial Services DAC from its offices in London at 125 Old Broad Street, London EC2N 1AR, United Kingdom.

Elavon Financial Services DAC is a bank incorporated in Ireland and a wholly owned subsidiary of U.S. Bank National Association. Elavon Financial Services DAC is authorised by the Central Bank of Ireland and the activities of its U.K. Branch are also subject to the limited regulation of the U.K. Financial Conduct Authority and Prudential Regulation Authority.

U.S. Bank Global Corporate Trust Services in combination with U.S. Bank National Association, the legal entity through which the Corporate Trust Division conducts business in the United States, is one of the world's largest providers of trustee services with more than U.S.\$4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The division provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and document custody through its network of 48 U.S.-based offices, an Argentinean office and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB), with U.S.\$429 billion in assets as of 31 March 2016, is the parent company of U.S. Bank National Association, the 5th largest commercial bank in the United States. The Company operates 3,129 banking offices in 25 states and 4,954 ATMs and provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions. Visit U.S. Bancorp on the web at usbank.com.

THE CORPORATE ADMINISTRATOR

Pursuant to the Corporate Administration Agreement, Structured Finance Management Limited will act as corporate administrator in respect of the Issuer and Holdings.

Structured Finance Management Limited has its offices at 35 Great St. Helen's, London EC3A 6AP.

The foregoing information regarding the Corporate Administrator under the heading "*The Corporate Administrator*" has been provided by Structured Finance Management Limited.

USE OF PROCEEDS

The gross proceeds of the issue of the Notes are expected to amount to £600,000,000 and will be used to finance the purchase by the Issuer of the Initial Portfolio under the Receivables Sale Agreement.

The Expenses Loan Advance drawn under the Expenses Loan Agreement on the Closing Date will be applied towards funding certain expenses relating to the issue of the Notes by the Issuer.

The Liquidity Reserve Loan Advance drawn under the Liquidity Reserve Loan Agreement on the Closing Date will be applied towards funding the Required Liquidity Target Amount which will be deposited in the Transaction Account and used to capitalise the Liquidity Reserve Fund as described in the section entitled “*Credit Structure—Liquidity Reserve Fund*”.

UNITED KINGDOM TAXATION

The following discussion is a summary of the United Kingdom withholding tax treatment as at the date hereof of interest paid in respect of the Notes. It does not deal with any other United Kingdom tax consequences of acquiring, holding or disposing of the Notes. It describes consequences for persons who are absolute beneficial owners of the Notes based on current United Kingdom law and published HMRC practice as at the date of this Prospectus. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. It is a general guide and should be treated with appropriate caution. It is not intended as tax advice, and it does not describe all of the tax considerations that may be relevant to a prospective purchaser.

EACH PROSPECTIVE PURCHASER IS URGED TO CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES HAVING REGARD TO ITS CIRCUMSTANCES OF PURCHASING, HOLDING AND SELLING THE NOTES UNDER THE LAWS OF THE UNITED KINGDOM, ITS POLITICAL SUBDIVISIONS AND ANY OTHER JURISDICTIONS WHERE THE PROSPECTIVE PURCHASER MAY BE SUBJECT TO TAX.

The references to “interest” in this summary of the United Kingdom withholding tax position mean “interest” as understood in United Kingdom tax law. The statements in this summary do not take any account of any different definitions of “interest” which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

Substitution of another corporate entity in place of the Issuer as principal debtor on the Notes (as described in Condition 11 (*Substitution of the Issuer*)) may give rise to different withholding tax consequences to those described below.

Withholding Tax

The Notes will constitute “quoted Eurobonds” within the meaning of section 987 of the Income Tax Act 2007 provided they carry a right to interest and are and continue to be listed on a “recognised stock exchange” within the meaning of section 1005 of the Income Tax Act 2007. The Irish Stock Exchange is a recognised stock exchange. The Notes will satisfy this requirement if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the Irish Stock Exchange. Provided the Notes remain so listed payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

In other cases, and subject to the availability of another exemption, an amount must generally be withheld from payments of interest on the Notes that have a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

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 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 have 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 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. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding were to 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.

SUBSCRIPTION AND SALE

Subscription of the Notes

Pursuant to the Subscription Agreement, each of the Managers has agreed, subject to certain conditions, to subscribe for, or to procure subscriptions for, up to 50 per cent. of the Class A Notes and all of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes. The Issuer has agreed to reimburse the Managers for certain of their expenses in connection with the issue of the Class A Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes. In the Subscription Agreement, the Issuer has made certain representations and warranties in respect of its legal and financial matters.

The Subscription Agreement entitles the Managers to terminate their obligations thereunder in certain circumstances prior to payment of the relevant purchase price of the Class A Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes. The Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Class A Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

It is expected that a portion of the Class A Notes and all of the Class B Notes will be retained by the Seller.

Selling Restrictions

United States of America and its Territories

Each of the Managers has acknowledged in the Subscription Agreement, that 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 and therefore may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons. In addition, the Notes cannot be resold in the United States or to U.S. persons unless they are subsequently registered or an exemption from registration is available.

Each Manager has agreed that with respect to the relevant Notes for which it has subscribed that it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Notes and the Closing Date (the **Distribution Compliance Period**) within the United States or to, or for the account or benefit of, U.S. persons, except in accordance with Rule 903 or 904 of Regulation S. Each Manager has further agreed that it will have sent to each affiliate or person receiving a selling commission, fee or other remuneration that purchases Notes from it during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until the expiration of the Distribution Compliance Period, an offer or sale of the Notes within the United States by any Manager (whether or not participating in the 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 under the Securities Act.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Managers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States or to any U.S. person. Distribution of this Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, other than those persons, if any, retained to advise such non-U.S. person with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, other than those persons, if any, retained to advise such non-U.S. person, is prohibited.

United Kingdom

Each of the Managers has represented, warranted and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

As used herein, **United Kingdom** means the United Kingdom of Great Britain and Northern Ireland.

Public Offer Selling Restrictions under the Prospectus Directive

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State;
- the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State; and
- the expression **2010 PD Amending Directive** means Directive 2010/73/E.

General

All applicable laws and regulations must be observed in any jurisdiction in which Notes may be offered, sold or delivered. Each of the Managers has agreed that it will not offer, sell or deliver any of the Notes, directly or indirectly, or distribute this Prospectus or any other offering material relating to the Notes, in or from any jurisdiction (including, as stated in “*Important Notices*” above, to a retail investor (as defined in “*Important Notices*”)) except under circumstances that will result in compliance with the applicable laws and regulations thereof and that will not impose any obligations on the Issuer except as set out in the Subscription Agreement.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers of the Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

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 of the United States or any other relevant jurisdiction and accordingly, may not be reoffered, resold, pledged or otherwise transferred except in accordance with the restrictions described below. Neither the Issuer nor any other person is required to so register or qualify the Notes or to provide registration rights to any investor therein. The Notes are being offered and sold only outside the United States to persons other than U.S. persons pursuant to Regulation S, or in transactions otherwise exempt from registration under the Securities Act.

The Notes may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in accordance with Regulation S, and in accordance with all applicable securities laws of any state or other jurisdiction of the United States.

Any offers, sales or deliveries of the Notes in the United States or to U.S. persons by an investor purchasing in an offshore transaction pursuant to Regulation S prior to the date that is 40 days after the later of (i) the commencement of the offering of the Notes and (ii) the Closing Date, may constitute a violation of United States law.

Investors’ representations and restrictions on resale

Each purchaser of the Notes (which term for the purposes of this section will be deemed to include any purchaser of beneficial interests in the Notes, including interests represented by a global note and book-entry interests) will be deemed to have represented and agreed as follows:

- (i) it is not a “U.S. person” (within the meaning of Regulation S) or an affiliate of the issuer or a person acting on behalf of such an affiliate and is acquiring such Notes for its own account or as a fiduciary or agent for other non-U.S. persons in an offshore transaction (as defined in Regulation S, an **offshore transaction**) pursuant to an exemption from registration provided by Regulation S;
- (ii) such Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act and such Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below; and
- (iii) it understands that the issuer, the registrar, the dealers and their affiliates, and others will rely upon the truth and accuracy of the acknowledgements, representations and agreements contained in this section “Transfer Restrictions.”

Legend

Unless determined otherwise by the Issuer in accordance with applicable law and so long as any series of the Notes is outstanding, a Reg S Global Note will bear a legend substantially as set forth below:

NEITHER THIS NOTE NOR BENEFICIAL INTERESTS HEREIN HAVE BEEN OR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THE ISSUER HAS NOT BEEN REGISTERED AND DOES NOT INTEND TO REGISTER AS AN **INVESTMENT COMPANY** UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING OF THE OFFERING OF THE NOTES, ANY TRANSFER OF THE NOTES MAY ONLY BE MADE TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT (**REGULATION S**). ANY PURPORTED TRANSFER OF THIS NOTE THAT DOES NOT COMPLY WITH THE FOREGOING REQUIREMENTS SHALL BE NULL AND VOID *AB INITIO*.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM, LUXEMBOURG TO THE REGISTRAR OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF EUROCLEAR OR CLEARSTREAM, LUXEMBOURG OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED

REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM, LUXEMBOURG (AND ANY PAYMENT HEREON IS MADE TO EUROCLEAR OR CLEARSTREAM, LUXEMBOURG OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM, LUXEMBOURG), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, EUROCLEAR OR CLEARSTREAM, LUXEMBOURG, HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF THE COMMON SAFEKEEPER OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN ANY APPLICABLE REGULATIONS.

THE PURCHASER OR ACQUIROR ACKNOWLEDGES THAT THE ISSUER RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

THE ISSUER HAS THE RIGHT TO COMPEL ANY HOLDER OF NOTES REPRESENTED BY THIS GLOBAL NOTE OR BENEFICIAL OWNER OF ANY INTEREST THEREIN THAT IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S TO SELL SUCH NOTES OR INTEREST THEREIN, OR MAY SELL SUCH NOTES OR INTEREST THEREIN ON BEHALF OF SUCH PERSON, AT THE LOWEST OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE NOTEHOLDER OR BENEFICIAL OWNER, AS THE CASE MAY BE, (Y) 100 PER CENT. OF THE PRINCIPAL AMOUNT THEREOF AND (Z) THE FAIR MARKET VALUE THEREOF. IN ADDITION, THE ISSUER HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF NOTES OR ANY INTEREST THEREIN TO A PERSON WHO IS A NOT AN ELIGIBLE TRANSFEREE.

Because of the foregoing restrictions, purchasers of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such securities offered and sold.

GLOSSARY OF DEFINED TERMS

In this Prospectus, the following terms have the following meanings:

£, pounds, pounds sterling, GBP, sterling or Sterling	means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;
Account Bank	means Elavon Financial Services DAC, UK Branch, any successor thereof or any other person appointed as Account Bank in accordance with the Account Bank Agreement and the Deed of Charge from time to time as the bank with whom the Issuer holds the Sterling Account;
Account Bank Agreement	means the agreement so named dated on or about the Closing Date between the Issuer, the Seller, the Cash Administrator, the Account Bank, the Transaction Account Bank and the Trustee;
Additional Interest	has the meaning given to it in Condition 6.6(c) (<i>Interest Accrual</i>);
Adjusted Aggregate Asset Amount Outstanding	means the Aggregate Asset Amount Outstanding on any date minus the Aggregate Asset Amount Outstanding of all Overdue Receivables on such date;
Administrator Incentive Recovery Fee	means the fee payable to the Insolvency Official of the Seller, following an Insolvency Event of the Seller, in relation to the sale of the relevant Financed Vehicles in an amount equal to (i) the reasonable costs and expenses of such Insolvency Official incurred in relation to the sale of such Financed Vehicles plus (ii) a percentage of the corresponding securitisation proceeds in respect of the relevant Financed Vehicles to be agreed by the Servicer with the Insolvency Official of the Seller pursuant to the Servicing Agreement (up to a maximum amount of 1 per cent. of the VAT-exclusive securitisation proceeds of the relevant Financed Vehicles);
Affiliate	means, with respect to a person: (a) any other person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such person; or (b) any other person who is a director, officer or employee of such person, of any subsidiary or parent company of such person, or of any person described in paragraph (a) above. For the purposes of this definition, control of a person shall mean the power, direct or indirect, (A) to vote more than 50 per cent. of the securities having ordinary voting power for the election of directors of such person, or (B) to direct or cause the direction of the management and policies of such person whether by contract or otherwise;
Agency Agreement	means the agency agreement dated on or about the Closing Date between the Issuer, the Trustee, the Principal Paying Agent, the Agent Bank and the Registrar;
Agent	means each of the Principal Paying Agent, the Cash Administrator, the Registrar, the Agent Bank and any successor or replacement and each of their permitted successors and assigns, and Agents means any one or more of them;
Agent Bank	means Elavon Financial Services DAC, UK Branch, in its capacity as agent bank and any successor or replacement agent bank appointed in accordance with the terms of the Agency Agreement;
Aggregate Asset Amount Outstanding	means, in respect of all Purchased Receivables at any time, the aggregate of the Asset Amount Outstanding of all Purchased Receivables which, as at such time, are not Defaulted Receivables;

Aggregate Note Principal Amount Outstanding	<p>means:</p> <ul style="list-style-type: none"> (a) in relation to a Class of Notes, the aggregate Note Principal Amount Outstanding of all Notes then outstanding in such Class; and (b) in relation to the Notes then outstanding on any day, the aggregate Note Principal Amount Outstanding in respect of all Notes then outstanding, regardless of Class;
Ancillary Rights	<p>means, in relation to a Right, all ancillary rights, accretions and supplements to such Right, including any guarantees or indemnities in respect of such Right;</p>
Appointee	<p>means any attorney, manager, agent, delegate or other person appointed by the Trustee under the Trust Deed or the Deed of Charge, including to discharge any of its functions or advise it in relation thereto;</p>
Asset Amount Outstanding	<p>means, with respect to any Purchased Receivable at any time, the outstanding balance (as calculated by the Servicer) which is scheduled to become due on or after the applicable Reference Date for that Purchased Receivable <i>less</i> the amount of the principal portion of the Collections (which, for the avoidance of doubt, includes the Net Sale Proceeds) received by the Issuer and applied to the principal balance of such Purchased Receivable in accordance with the related Underlying Agreement; provided that Collections shall not be treated as received by the Issuer until credited to the Transaction Account;</p>
Asset Rate	<p>means, with respect to any Purchased Receivable, the rate of interest at the relevant time applicable to such Purchased Receivable under the related Underlying Agreement;</p>
Asset Trigger Event	<p>means an event that occurs if, prior to the Revolving Period End Date, the sum of the Adjusted Aggregate Asset Amount Outstanding and any amounts credited to the Reinvestment Principal Ledger (including any amounts that would be credited to the Reinvestment Principal Ledger were an Asset Trigger Event not to occur with respect to such Calculation Date) falls below the sum of the Class A Notes Principal, the Class B Notes Principal, the Class C Notes Principal, the Class D Notes Principal, the Class E Notes Principal and the Class F Notes Principal as at any Calculation Date, having given effect to any payments that would be made on the following Payment Date were an Asset Trigger Event not to occur on such date;</p>
Authorised Investments	<p>means:</p> <ul style="list-style-type: none"> (a) securities issued by the government of the United Kingdom, provided that such securities are rated at least A-1 by S&P and at least P-1 by Moody's; (b) investments in money market funds that maintain (A) in the case of S&P, a rating of at least AAAm, or (B) in the case of Moody's, a rating of at least Aaa-mf; (c) demand or time deposits, certificates of deposit and unsecured debt obligations with maturities of up to 31 days, including commercial paper, provided that the issuing entity or, if such investment is guaranteed, the guaranteeing entity, is rated at least, in the case of S&P, A-1 and, in the case of Moody's, P-1 and any such guarantee and guaranteeing entity complies with each Rating Agency's then current criteria; and (d) so long as the Notes are rated by a Rating Agency, any other debt obligations in relation to which confirmation has been received from the Rating Agencies that such investment would not adversely affect the rating of the Notes, provided that such investments do not constitute securitisation positions; <p>provided that such investments are due such that the full principal invested is available on or before each Payment Date and the principal invested is returned in full;</p>

Available Distribution Amount	<p>means, with respect to any Payment Date and the immediately preceding Collection Period, an amount calculated by the Cash Administrator pursuant to the Cash Administration Agreement as at the related Calculation Date and notified to the Issuer, the Cash Administrator and the Trustee not later than the Reporting Date following such Calculation Date (each such amount shall be calculated by the Cash Administrator with respect to such Calculation Date on the basis of the information available to the Cash Administrator at that time (for the avoidance of doubt, the Cash Administrator will not be obliged to request such information from any party to the Transaction Documents (other than the Principal Paying Agent as long as the Cash Administrator and the Principal Paying Agent are the same entity) or any other third party)), as the sum of (without double counting):</p> <ul style="list-style-type: none"> (a) any Collections (excluding, for the avoidance of doubt, any Seller Amounts and any amounts received by the Issuer but held on trust for the benefit of the Seller in accordance with the Receivables Sale Agreement) received by the Issuer during the Collection Period ending on such Calculation Date; (b) (i)(A) any default interest on unpaid sums due and paid by the Seller to the Issuer and (B) indemnities against any loss or expense, including legal fees, incurred by the Issuer as a consequence of any default of the Seller, in each case paid by the Seller to the Issuer pursuant to the Receivables Sale Agreement; and (ii) any default interest and indemnities paid by the Servicer to the Issuer pursuant to the Servicing Agreement; in each case as collected during such Collection Period; (c) any other amounts paid by the Seller to the Issuer under or with respect to the Receivables Sale Agreement or the Purchased Receivables or the Related Collateral and any other amounts paid by the Servicer to the Issuer under or with respect to the Servicing Agreement, the Purchased Receivables or the Related Collateral, in each case as collected during such Collection Period; (d) any amounts earned (if any) in respect of any Authorised Investments during such Collection Period; (e) any interest earned (if any) on the Issuer Accounts during such Collection Period; (f) any amounts standing to the credit of the Reinvestment Principal Ledger; and (g) following delivery of an Enforcement Notice and repayment in full of the Liquidity Reserve Loan Advance, amounts standing to the credit of the Liquidity Reserve Ledger.
Back-up Servicer Facilitation Event	<p>means (i) the occurrence of a Servicer Termination Event; or (ii) the occurrence of a change of control of the Servicer (so long as it is SC UK), or the unsecured, unsubordinated debt obligations of Santander UK plc (so long as it is the parent company of SC UK in its capacity as the Servicer) ceasing to have long-term ratings of either at least BBB- (outlook negative) by S&P or at least Baa3 (outlook negative) by Moody's;</p>
Back-up Servicer Facilitator	<p>means Banco Santander in its capacity as back-up servicer facilitator under the Servicing Agreement;</p>
Banco Santander	<p>means Banco Santander, S.A.;</p>
Banco Santander Group	<p>means Banco Santander and its subsidiaries collectively;</p>
Basel Committee	<p>means the Basel Committee on Banking Supervision;</p>

Basel III	means (i) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “ <i>Basel III: A global regulatory framework for more resilient banks and banking systems</i> ”, “ <i>Basel III: International framework for liquidity risk measurement, standards and monitoring</i> ” and “ <i>Guidance for national authorities operating the countercyclical capital buffer</i> ” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated; (ii) the rules for global systemically important banks contained in “ <i>Global systemically important banks: assessment methodology and the additional loss absorbency requirement—Rules text</i> ” published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and (iii) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”;
Benefit	in respect of any asset, agreement, property or right (each a Right for the purpose of this definition) held, assigned, conveyed, transferred, held on trust, charged, sold or disposed of by any person shall be construed so as to include: <ul style="list-style-type: none">(a) all right, title, interest and benefit, present and future, actual and contingent (and interests arising in respect thereof) of such person in, to, under and in respect of such Right and all Ancillary Rights in respect of such Right;(b) all monies and proceeds payable or to become payable under, in respect of, or pursuant to such Right or its Ancillary Rights and the right to receive payment of such monies and proceeds and all payments made including, in respect of any bank account, all sums of money which may at any time be credited to such bank account together with all interest accruing from time to time on such money and the debts represented by such bank account;(c) the benefit of all covenants, undertakings, representations, warranties and indemnities in favour of such person contained in or relating to such Right or its Ancillary Rights;(d) the benefit of all powers of and remedies for enforcing or protecting such person’s right, interest and benefit in, to, under and in respect of such Right or its Ancillary Rights, including the right to demand, sue for, recover, receive and give receipts for proceeds of and amounts due under or in respect of or relating to such Right or its Ancillary Rights; and(e) all items expressed to be held on trust for such person under or comprised in any such Right or its Ancillary Rights, all rights to deliver notices and/or take such steps as are required to cause payment to become due and payable in respect of such Right and its Ancillary Rights, all rights of action in respect of any breach of or in connection with any such Right and its Ancillary Rights and all rights to receive damages or obtain other relief in respect of such breach;
Book-Entry Interest	means on any day the beneficial interests of the Noteholders (from time to time) in the Global Notes recorded by Euroclear and/or Clearstream, Luxembourg, as applicable;
Breach of Duty	means, in relation to any person, a wilful default, fraud, illegal dealing, negligence or breach of trust by such person;
Business Day	means a day on which commercial banks and foreign exchange markets are open or required to be open for business in London, England and in Dublin, Ireland;
Calculation Date	means the last Business Day of each calendar month, and the Calculation Date with respect to each Payment Date is the Calculation Date immediately preceding such Payment Date and the first Calculation Date shall be 31 December 2016;
Cash Administration Agreement	means the agreement so named dated on or about the Closing Date between the Issuer, the Trustee, the Seller, the Cash Administrator, the Principal Paying Agent, the Agent Bank, the Account Bank and the Transaction Account Bank;

Cash Administrator	means Elavon Financial Services DAC, UK Branch, and any successor or replacement cash administrator appointed in accordance with the terms of the Cash Administration Agreement;
Cash Administrator Termination Event	means the occurrence of any of the following: <ul style="list-style-type: none"> (a) the Cash Administrator fails to make a payment due under the Cash Administration Agreement at the latest on the second Business Day after its due date or, in the event no due date has been determined, if payable, within two Business Days after the written demand for payment; (b) the Cash Administrator fails to comply with its covenants or obligations (other than those referred to in (a) above) which failure is, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders of the Controlling Class; (c) an Insolvency Event occurs in respect of the Cash Administrator; or (d) the Cash Administrator fails to be exempt from FATCA Withholding;
Cash Administrator Termination Event Notice	means a notice to the Cash Administrator from the Issuer or, following the delivery of an Enforcement Notice, the Trustee, delivered in accordance with the terms of Clause 20.5 (<i>Termination of the Appointment of Cash Administrator upon Occurrence of Cash Administrator Termination Event</i>) of the Cash Administration Agreement;
Central Bank	means the Central Bank of Ireland;
CFTC	means the Commodity Futures Trading Commission;
Charged Accounts	means the Issuer Accounts and any bank or other account opened from time to time for the purposes of the Transaction in which the Issuer may at any time acquire a Benefit and over which the Issuer has created an Encumbrance in favour of the Trustee pursuant to the Deed of Charge;
Class	means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, as applicable;
Class A Global Note	means any global note issued in respect of the Class A Notes;
Class A Noteholders	means the persons who for the time being are holders of the Class A Notes;
Class A Notes	means the £528,000,000 1.30% Class A asset backed fixed rate notes due on the Payment Date falling in November 2025;
Class A Notes Principal	means the Aggregate Note Principal Amount Outstanding of all Class A Notes on any date;
Class A Target Principal Amount	means, on any Payment Date, the higher of (a) the amount by which the Adjusted Aggregate Asset Amount Outstanding on the Calculation Date immediately preceding such Payment Date exceeds the sum of the Class B Notes Principal, the Class C Notes Principal, the Class D Notes Principal, the Class E Notes Principal and the Class F Notes Principal on the Calculation Date immediately preceding such Payment Date, and (b) zero;
Class B Global Note	means any global note issued in respect of the Class B Notes;
Class B Noteholders	means the persons who for the time being are holders of the Class B Notes;
Class B Notes	means the £15,000,000 1.80% Class B asset backed fixed rate notes due on the Payment Date falling in November 2025;
Class B Notes Principal	means the Aggregate Note Principal Amount Outstanding of all Class B Notes on any date;

Class B Target Principal Amount	means: <ul style="list-style-type: none">(a) until all Class A Notes have been redeemed in full, the Class B Notes Principal on the Closing Date; and(b) on any Payment Date falling on or after the date on which the Class A Notes have been redeemed in full, the higher of (i) the amount by which the Adjusted Aggregate Asset Amount Outstanding on the Calculation Date immediately preceding such Payment Date exceeds the sum of the Class C Notes Principal, the Class D Notes Principal, the Class E Notes Principal and the Class F Notes Principal on the Calculation Date immediately preceding such Payment Date, and (ii) zero;
Class C Global Note	means any global note issued in respect of the Class C Notes;
Class C Noteholders	means the persons who for the time being are holders of the Class C Notes;
Class C Notes	means the £30,000,000 3.75% Class C asset backed fixed rate notes due on the Payment Date falling in November 2025;
Class C Notes Principal	means the Aggregate Note Principal Amount Outstanding of all Class C Notes on any date;
Class C Target Principal Amount	means: <ul style="list-style-type: none">(a) until all Class A Notes and all Class B Notes have been redeemed in full, the Class C Notes Principal on the Closing Date; and(b) on any Payment Date falling on or after the date on which the Class A Notes and the Class B Notes have been redeemed in full, the higher of (i) the amount by which the Adjusted Aggregate Asset Amount Outstanding on the Calculation Date immediately preceding such Payment Date exceeds the sum of the Class D Notes Principal, the Class E Notes Principal and the Class F Notes Principal on the Calculation Date immediately preceding such Payment Date, and (ii) zero;
Class D Global Note	means any global note issued in respect of the Class D Notes;
Class D Noteholders	means the persons who for the time being are holders of the Class D Notes;
Class D Notes	means the £9,000,000 4.25% Class D asset backed fixed rate notes due on the Payment Date falling in November 2025;
Class D Notes Principal	means the Aggregate Note Principal Amount Outstanding of all Class D Notes on any date;
Class D Target Principal Amount	means: <ul style="list-style-type: none">(a) until all Class A Notes, all Class B Notes and all Class C Notes have been redeemed in full, the Class D Notes Principal on the Closing Date; and(b) on any Payment Date falling on or after the date on which the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in full, the higher of (i) the amount by which the Adjusted Aggregate Asset Amount Outstanding on the Calculation Date immediately preceding such Payment Date exceeds the sum of the Class E Notes Principal and the Class F Notes Principal on the Calculation Date immediately preceding such Payment Date, and (ii) zero;
Class E Global Note	means any global note issued in respect of the Class E Notes;
Class E Noteholders	means the persons who for the time being are holders of the Class E Notes;

Class E Notes	means the £13,000,000 5.25% Class E asset backed fixed rate notes due on the Payment Date falling in November 2025;
Class E Notes Principal	means the Aggregate Note Principal Amount Outstanding of all Class E Notes on any date;
Class E Target Principal Amount	means: <ul style="list-style-type: none"> (a) until all Class A Notes, all Class B Notes, all Class C Notes and all Class D Notes have been redeemed in full, the Class E Notes Principal on the Closing Date; and (b) on any Payment Date falling on or after the date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been redeemed in full, the higher of (i) the amount by which the Adjusted Aggregate Asset Amount Outstanding on the Calculation Date immediately preceding such Payment Date exceeds the Class F Notes Principal on the Calculation Date immediately preceding such Payment Date, and (ii) zero;
Class F Global Note	means any global note issued in respect of the Class F Notes;
Class F Noteholders	means the persons who for the time being are holders of the Class F Notes;
Class F Notes	means the £5,000,000 8.50% Class F asset backed fixed rate notes due on the Payment Date falling in November 2025;
Class F Notes Principal	means the Aggregate Note Principal Amount Outstanding of the Class F Notes on any date;
Class F Target Principal Amount	means: <ul style="list-style-type: none"> (a) until all Class A Notes, all Class B Notes, all Class C Notes, all Class D Notes and all Class E Notes have been redeemed in full, the Class F Notes Principal on the Closing Date; and (b) on any Payment Date falling on or after the date on which the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been redeemed in full, the higher of (i) the Adjusted Aggregate Asset Amount Outstanding on the Calculation Date immediately preceding such Payment Date, and (ii) zero;
Clean-Up Call Asset Amount Outstanding	means, with respect to each Payment Date, the aggregate Asset Amount Outstanding of the Purchased Receivables <i>minus</i> any non-principal cash collections applied to reduce the Aggregate Note Principal Amount Outstanding of the Notes;
Clean-Up Call Option	means a call option in favour of the Seller pursuant to which the Seller may repurchase, subject to the satisfaction of certain conditions set out in Condition 7.3 (<i>Early Redemption</i>), all of the outstanding Purchased Receivables (together with any Related Collateral) held by the Issuer at the Repurchase Price;
Clearing System	means Euroclear or Clearstream, Luxembourg;
Clearing System Business Day	means a day on which Euroclear or Clearstream, Luxembourg or any other clearing system for which the Notes are being held is open for business;
Clearstream, Luxembourg	means Clearstream Banking, <i>société anonyme</i> ;
Closing Date	means 15 December 2016;
Code	means the United States Internal Revenue Code of 1986, as amended;

Collectability	means, in respect of a Purchased Receivable, the ability to collect or the amount collected or the timing of collecting in respect of such Purchased Receivable (other than in respect of a Customer's ability or willingness to pay (unless such affected Purchased Receivable did not comply with the Eligibility Criteria on the relevant Purchase Date));
Collection Period	means, in relation to any Calculation Date, the period commencing on (but excluding) the immediately preceding Calculation Date and ending on (and including) such Calculation Date and, with respect to the First Payment Date, the first Collection Period will commence on (but exclude) the Reference Date in respect of the Initial Purchase Date and end on (and include) 31 December 2016, which is the Calculation Date immediately following the Closing Date;
Collections	<p>means, with respect to any Purchased Receivable and any Related Collateral (but without double-counting):</p> <ul style="list-style-type: none">(a) all principal and interest payments by Customers with respect to any Purchased Receivable and any Related Collateral;(b) Net Sale Proceeds;(c) all indemnity amounts received by the Seller from any Dealer in respect of an Underlying Agreement, insurance providers or other third parties;(d) all assigned proceeds received by the Seller from insurance policies relating to the Financed Vehicles or otherwise entered into in connection with the financing of the acquisition of the Financed Vehicles;(e) any proceeds from the repurchase by the Seller of any Purchased Receivables (together with the relevant Related Collateral) received by the Issuer under the Receivables Sale Agreement; and(f) any other amounts which the Seller or the Servicer has the obligation to pay to the Issuer under and in accordance with the Transaction Documents; <p>in each case (i) received after the Reference Date immediately preceding the Purchase Date on which the relevant Purchased Receivable was sold by the Seller to the Issuer and (ii) excluding any Seller Amounts;</p>
Common Safekeeper	means the entity appointed as common safekeeper for Euroclear and Clearstream, Luxembourg;
Common Services Provider	means the entity appointed as common services provider for Euroclear and Clearstream, Luxembourg to service the notes held under the NSS;
Compensation Payment	<p>means the amount of any loss (other than to the extent that such loss is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from a Breach of Duty by the Issuer) calculated by the Issuer or the Cash Administrator (acting on behalf of the Issuer) (including reasonable costs and expenses of the Issuer's legal counsel) to have been suffered or incurred by the Issuer as a result of a Seller Warranty Breach (other than a Seller Asset Warranty Breach) and for this purpose "loss" shall mean any direct loss (without regard to credit enhancement if any) as a result of the relevant Seller Warranty Breach (other than a Seller Asset Warranty Breach) but shall not include:</p> <ul style="list-style-type: none">(a) any amount attributable to any indirect or consequential loss suffered by the Issuer; and/or(b) any loss suffered by the Issuer in circumstances where the Seller Warranty Breach has also been, or given rise to, an Issuer Event of Default, <p>the determination of such amount being subject to the provisions contained in the Receivables Sale Agreement;</p>

CONC	means the FCA Consumer Credit sourcebook;
Concentration Limit	<p>means each of the following requirements:</p> <ul style="list-style-type: none"> (a) on the relevant Calculation Date, the sum of the Asset Amount Outstanding of all Purchased Receivables (including any Further Receivables identified in any Notice of Sale to be purchased on the next following Payment Date) owed by any single Customer does not exceed £125,000; (b) on the relevant Calculation Date, the Weighted Average Interest Rate of all Purchased Receivables (including any Further Receivables identified in any Notice of Sale to be purchased on the next following Payment Date) is at least equal to 7.75 per cent. per annum; (c) on the relevant Calculation Date, the weighted average remaining term (using the Asset Amount Outstanding as at the relevant Calculation Date for the weighting) of the Underlying Agreements relating to all Purchased Receivables (including any Further Receivables identified in any Notice of Sale to be purchased on the next following Payment Date) does not exceed 48 months; (d) on the relevant Calculation Date, the aggregate of the Conditional Sale Agreement balloon payments divided by the aggregate Asset Amount Outstanding as at the Closing Date, expressed as a percentage, does not exceed 7 per cent.; (e) on the relevant Calculation Date, the aggregate of the Asset Amount Outstanding of all Purchased Receivables with an Asset Amount Outstanding of more than £50,000 on the relevant Calculation Date divided by the aggregate Asset Amount Outstanding as at the Closing Date, expressed as a percentage, does not exceed 4 per cent.; (f) on the relevant Calculation Date, no Underlying Agreements have a remaining term of more than 59 months; and (g) on the relevant Calculation Date, the largest aggregate Asset Amount Outstanding due from (i) any individual Customer is equal to or less than the lesser of (x) 0.25 per cent. of the Aggregate Asset Amount Outstanding and (y) £125,000; and (ii) any 10 individual Customers is equal to or less than 0.60 per cent. of the Aggregate Asset Amount Outstanding;
Conditional Sale Agreements	means fixed interest rate, usually fully amortising, level payment conditional sale contracts entered into by the Seller and Customers, with retention of title to the Financed Vehicles;
Conditions	means the terms and conditions of the Notes in, or substantially in, the form set out in Schedule 9 (<i>Terms and Conditions</i>) of the Trust Deed, as any of the same may from time to time be modified in accordance with the Trust Deed and any reference to a particular numbered Condition shall be construed accordingly;
Controlling Class	means (i) the Class A Notes so long as any Class A Notes are outstanding, (ii) after the Class A Notes have been paid in full, the Class B Notes then outstanding, (iii) after the Class A Notes and the Class B Notes have been paid in full, the Class C Notes then outstanding, (iv) after the Class A Notes, the Class B Notes and the Class C Notes have been paid in full, the Class D Notes then outstanding, (v) after the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been paid in full, the Class E Notes then outstanding, and (vi) after the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been paid in full, the Class F Notes;
Corporate Administration Agreement	means a corporate administration agreement dated on or about the Closing Date and entered into between the Corporate Administrator, the Trustee, the Share Trustee, Holdings and the Issuer;

Corporate Administrator	means Structured Finance Management Limited or any successor thereof or any other person appointed as replacement corporate administrator from time to time in accordance with the Corporate Administration Agreement;
CRA Regulation	means Regulation (EC) No 1060/2009, as may be amended or supplemented from time to time;
Credit and Collection Policy	means the credit and collection policies and practices of the Seller as applied by the Servicer or a Successor Servicer, or from time to time or following the delivery of an Enforcement Notice, the Trustee, subject to the terms of the Servicing Agreement;
CRR	means Regulation (EU) No 575/2013, as may be amended or supplemented from time to time, otherwise referred to as the Capital Requirements Regulation;
Cumulative Gross Defaulted Receivables	means, on any Calculation Date, the sum of all Defaulted Receivables and the aggregate Asset Amount Outstanding of all Purchased Receivables that are greater than six Instalments overdue;
Customer	means each of the persons obliged to make payments under an Underlying Agreement;
Cut-Off Date	means 31 August 2016;
Dealer	means any person from whom the Seller purchases a Financed Vehicle related to an Underlying Agreement;
Deed of Charge	means the deed so named dated on or about the Closing Date between the Issuer, the Trustee, the Seller, the Servicer, the Cash Administrator, the Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Expenses Loan Provider, the Liquidity Reserve Loan Provider, the Transaction Account Bank and the Corporate Administrator;
Defaulted Receivable	means, on any date, any Purchased Receivable which has been written-off by the Servicer in accordance with the Credit and Collection Policy (including a Purchased Receivable subject to a Voluntary Termination or where the relevant Customer continues to have an outstanding liability after the Voluntary Termination);
Deferred Consideration	means: <ul style="list-style-type: none">(a) on any Payment Date prior to the delivery of an Enforcement Notice, the difference (if any) between the Available Distribution Amount and the sum of all amounts payable to or to be applied (as the case may be) by the Issuer under items (a) to (q) (during the Revolving Period) or (a) to (u) (on and after the Revolving Period End Date) (inclusive) of the Pre-Enforcement Priority of Payments on such Payment Date;(b) on any Payment Date or other date on which the Post-Enforcement Priority of Payments is applied, following the delivery of an Enforcement Notice, the difference (if any) between any amounts standing to the credit of the Issuer Accounts on such date and the sum of all amounts payable to or applied (as the case may be) under items (a) to (r) (inclusive) of the Post-Enforcement Priority of Payments on such Payment Date or other date; and(c) on any Payment Date, any Liquidity Excess Amount;
Definitive Note	means the registered notes in definitive form to be issued in respect of the Reg S Global Notes pursuant to, and in the circumstances specified in, the Trust Deed, evidenced by certificates substantially in the form set out in the Trust Deed or, as the context may require, a specific number thereof and includes any replacements for Definitive Notes issued pursuant to the Conditions;

Delinquency Ratio	means, in respect of any Calculation Date, the ratio of: <ul style="list-style-type: none"> (a) the Delinquent Receivables on the immediately preceding Calculation Date, to (b) the Aggregate Asset Amount Outstanding of all Purchased Receivables on such Calculation Date;
Delinquent Receivables	means, on any date, the aggregate Asset Amount Outstanding of all Purchased Receivables (which, for the avoidance of doubt, shall not include Defaulted Receivables) that are greater than two and less than or equal to six Instalments overdue, as shown in the Monthly Report for the Collection Period ending on or immediately preceding such date in accordance with the Credit and Collection Policy;
Directors	means the directors from time to time of the Issuer;
Distribution Compliance Period	means the 40 days after the later of the commencement of the offering of the Notes and the closing of the offering of the Notes;
Dodd-Frank Act	means the Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted on 21 July 2010, as may be amended or supplemented from time to time;
DOL	means the U.S. Department of Labor;
DRU	means the debt recovery unit of SC UK to which terminated Underlying Agreements are passed;
Early Redemption Date	means, in respect of the Clean-Up Call Option or the Regulatory Change Event Call Option, the date on which the outstanding Notes are to be redeemed (which shall be a Payment Date);
EEA	means the European Economic Area;
Eligibility Criteria	means the criteria set out in Schedule 11 (<i>Eligibility Criteria</i>) to the Receivables Sale Agreement;
Encumbrance	means: <ul style="list-style-type: none"> (a) a mortgage, charge, pledge, assignment in security, lien or other encumbrance securing any obligation of any person; (b) any arrangement under which money or claims to money, 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 discharge of any sum owed or payable to any person; or (c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect;
Enforcement Notice	means a notice delivered in accordance with Condition 3.5 (<i>Enforcement of the Security</i>) which declares the Notes to be immediately due and payable in accordance with the Post-Enforcement Priority of Payments;
Enforcement Procedures	means the procedures, described in the Credit and Collection Policy, for enforcing rights and remedies against a Customer in respect of such Customer's obligations arising under any Underlying Agreement in respect of which such Customer is in default or against a surety or guarantor in respect of such surety's or guarantor's obligations arising under any Underlying Agreement and Related Collateral in respect of which such surety or guarantor is in default;
EU	means the European Union;
Euroclear	means Euroclear Bank S.A./N.V.;

Exchange Act	means the United States Securities Exchange Act of 1934, as amended;
Excluded Right	means the right to receive under any Underlying Agreement: <ul style="list-style-type: none">(a) default interest and fees for, and expenses, charges and costs, if any, arising as a consequence of, late payment;(b) administrative fees or charges or any fee payable upon purchase or return of a Financed Vehicle (but, for the avoidance of doubt, not the Net Sale Proceeds) and any interest accruing thereon;(c) all amounts in respect of a Purchased Receivable which has been subsequently been repurchased by the Seller pursuant to the Receivables Sale Agreement (including, but not limited to, the sale of any Financed Vehicle financed by such Receivable); or(d) Pre-Closing Interest Amounts;
Expenses Loan Advance	means, in respect of the Closing Date, the advance under the Expenses Loan Agreement in an amount of £1,500,000, for the purpose of paying certain expenses in relation to the issuance of the Notes;
Expenses Loan Agreement	means the expenses loan agreement dated on or about the Closing Date and entered into by the Issuer, the Expenses Loan Provider and the Trustee;
Expenses Loan Provider	means SC UK, or any successor or assignee thereof;
Extraordinary Resolution	means a resolution passed at a Meeting duly convened and held in accordance with the Trust Deed by more than 75 per cent. of votes cast;
Face Amount	means, in relation to a Purchased Receivable, the Asset Amount Outstanding of such Purchased Receivable plus any interest accrued but unpaid on the relevant date of calculation (after the deduction of any applicable rebate of insurance premium financed by the Underlying Agreement and the deduction of applicable rebate of interest and finance charges due to the relevant Customer pursuant to the Consumer Credit (Early Settlement) Regulations 2004 as amended or supplemented from time to time);
FATCA	means Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto;
FATCA Withholding	means any amount required to be withheld or deducted pursuant to FATCA;
FCA	means the Financial Conduct Authority;
Financed Vehicle	means any vehicle designated to be a passenger car, LCV, off-road vehicle, van or light truck which is financed pursuant to the relevant Underlying Agreement;
First Payment Date	means the Payment Date falling on 25 January 2017;
FOS	means the Financial Ombudsman Service, 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;
FSMA	means the Financial Services and Markets Act 2000 (as amended);
Further Purchase Date	means a Payment Date falling in the Revolving Period;
Further Receivable	means, on any date of determination, a Receivable identified in the Notice of Sale which is sold or to be sold by the Seller to the Issuer on a Further Purchase Date;

Further Receivables Purchase Price	means, in respect of a Further Purchase Date and Further Receivables, the initial consideration payable by the Seller in respect of each relevant Purchased Receivable and its Related Collateral, being the Asset Amount Outstanding on the Reference Date immediately preceding such Further Purchase Date;
GBP LIBOR	means the rate for deposits in Sterling for a period of 1 month (or with respect to the first Interest Period the linear interpolation between 1 month and 2 months) which appears on Reuters page LIBOR01 (or such other page as may replace such page on that service for the purpose of displaying London inter-bank offered rate quotations of major banks) at 11:00 a.m. (London time) on the relevant Calculation Date, all as determined by the Cash Administrator. If Reuters Page LIBOR01 is not available or if no such quotation appears thereon, in each case as at such time, the Cash Administrator shall request the principal London office of the Reference Banks selected by it to provide the Cash Administrator with its offered quotation (expressed as a percentage rate per annum) for deposits in Sterling at approximately 11:00 a.m. (London time) on the relevant Calculation Date to prime banks in the London inter-bank market for the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time. If two or more of the selected Reference Banks provide the Cash Administrator with such offered quotations, GBP LIBOR for such Interest Period shall be the arithmetic mean of such offered quotations (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards). If on the relevant Calculation Date fewer than two of the selected Reference Banks provide the Cash Administrator with such offered quotations, GBP LIBOR for such Interest Period shall be the rate per annum which the Cash Administrator determines as being the arithmetic mean (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards) of the rates communicated to (and at the request of) the Cash Administrator by major banks in London, selected by the Cash Administrator, at approximately 11:00 a.m. (London time) on such Calculation Date for loans in Sterling to leading European banks for such Interest Period and in an amount that is representative for a single transaction in that market at that time;
Global Notes	means the Reg S Global Notes;
Governmental Authority	means any relevant competent international, European or national regulatory or supervisory body (including the European Central Bank, the PRA or the FCA);
HMRC	means Her Majesty's Revenue & Customs;
holder	means the registered owner of a Note and the word holders and related expressions shall (where appropriate) be construed accordingly;
Holdings	means Motor 2016-1 Holdings Limited, a private limited company incorporated in England and Wales with registered number 9713052;
IFRS	means the International Financial Reporting Standards;
Income Tax Act	means the Income Tax Act 2007;
Indirect Participant	means any person that holds an interest in a Book-Entry Interest (from time to time) through its Participant, including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Euroclear or Clearstream, Luxembourg, either directly or indirectly;
Initial Portfolio	means the initial portfolio of Receivables and their Related Collateral transferred by the Seller to the Issuer on the Initial Purchase Date;
Initial Purchase Date	means the Closing Date (or such other date as the Seller, the Issuer and the Managers may agree in writing) upon which the Seller sells, and the Issuer purchases, the Initial Portfolio pursuant to the terms of the Receivables Sale Agreement;
Initial Purchase Price	means the amount of consideration payable by the Issuer on the Initial Purchase Date for

the Initial Portfolio, being £600,009,861.81;

Insolvency Act

means the Insolvency Act 1986;

Insolvency Event

means, in respect of a company:

- (a) such company is unable or admits its inability to pay its debts as they fall due (after taking into account any grace period or permitted deferral), or suspends making payments on any of its debts; or
- (b) the value of the assets of such company is less than the amount of its liabilities, taking into account its contingent and prospective liabilities; or
- (c) a moratorium is declared in respect of any indebtedness of such company; or
- (d) the commencement of negotiations with one or more creditors of such company with a view to rescheduling any indebtedness of such company other than in connection with any refinancing in the ordinary course of business; or
- (e) any corporate action or other procedure or step is taken, and has not been remedied (to the satisfaction of the Trustee) within a period of 30 calendar days from the occurrence of such corporate action or other procedure, in relation to:
 - (i) the appointment of an Insolvency Official in relation to such company or in relation to the whole or any part of the undertaking or assets of such company except, in the case of the Issuer, the application to the Court under paragraph 12 or the filing of notice of intention to appoint an administrator under paragraph 26 of Schedule B1 to the Insolvency Act by the Issuer or its Directors; or
 - (ii) an encumbrancer taking possession of the whole or any part of the undertaking or assets of such company; or
 - (iii) the making of an arrangement, composition, or compromise (whether by way of voluntary arrangement, scheme of arrangement or otherwise) with any creditor of such company, a reorganisation of such company, a conveyance to or assignment, assignation or trust for the creditors of such company generally or the making of an application to a court of competent jurisdiction for protection from the creditors of such company generally other than in connection with any refinancing in the ordinary course of business; or
 - (iv) any distress, diligence, execution, attachment or other process being levied or enforced or imposed upon or against the whole or any part of the undertaking or assets of such company (excluding, in relation to the Issuer, by the Trustee or any Receiver); or
- (f) any procedure or step is taken, or any event occurs, analogous to those set out in (a) to (e) above, in any jurisdiction;

Insolvency Official

means, in respect of any company, a liquidator, provisional liquidator, administrator (whether appointed by the court or otherwise), bank administrator, bank liquidator, administrative receiver, receiver or manager, nominee, supervisor, trustee in bankruptcy, conservator, guardian 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 the monthly obligation of a Customer to pay any principal, interest and finance charges under any relevant Underlying Agreement and any Related Collateral, excluding any Seller Amounts;

Insurance Agreement

means, in respect of the definition of Related Collateral, any insurance agreement entered into by the relevant Customer as insurance policy holder in connection with the

relevant specified Financed Vehicle or the financing of its acquisition by the relevant Customer;

Interest Amount

means:

- (a) in respect of a Note for the Interest Period beginning on the Closing Date, interest calculated in respect of that Note in accordance with Condition 6.1 (*Interest Calculation*) for such Interest Period;
- (b) in respect of a Note for any subsequent Interest Period, the aggregate of:
 - (i) interest calculated in respect of that Note in accordance with Condition 6.1 (*Interest Calculation*) for such Interest Period; and
 - (ii) the amount of any interest due, payable and unpaid in respect of such Note together with accrued interest on such arrears (including Additional Interest); and
- (c) in relation to a Class for the Interest Period beginning on the Closing Date or any subsequent Interest Period, the aggregate amount calculated in accordance with paragraph (a) or (b) respectively above in respect of such Class for such Interest Period;

Interest Period

means, in respect of the First Payment Date, the period commencing on (and including) the Closing Date and ending on (but excluding) the First Payment Date and, in respect of any subsequent Payment Date, the period commencing on (and including) a Payment Date and ending on (but excluding) the immediately following Payment Date;

Interest Rate

means the interest rate payable on the Notes for each Interest Period, which is:

- (a) in the case of the Class A Notes, 1.30 per cent. per annum;
- (b) in the case of the Class B Notes, 1.80 per cent. per annum;
- (c) in the case of the Class C Notes, 3.75 per cent. per annum;
- (d) in the case of the Class D Notes, 4.25 per cent. per annum;
- (e) in the case of the Class E Notes, 5.25 per cent. per annum; and
- (f) in the case of the Class F Notes, 8.50 per cent. per annum;

Investment Company Act

means the United States Investment Company Act of 1940, as amended;

Investor Report

means the monthly report to be delivered by the Servicer to the Issuer, the Trustee, the Cash Administrator and each Rating Agency for each Collection Period;

Irish Stock Exchange

means the Irish Stock Exchange Plc;

Issuer

means Motor 2016-1 PLC, a public limited company incorporated in England and Wales with registered number 9713005, as issuer of the Notes;

Issuer Account

means any of the Transaction Account or the Sterling Account, and **Issuer Accounts** means all of them together;

Issuer Covenants

means the covenants of the Issuer set out in Clause 6 (*Issuer Covenants*) of the Receivables Sale Agreement;

Issuer Event of Default

has the meaning given to it in Condition 3.8 (*Issuer Event of Default*);

LCV

means a light commercial vehicle;

Ledgers	means the available distribution ledger, the issuer retained profit ledger, the Seller Returns Ledger, the Reinvestment Principal Ledger and the Liquidity Reserve Ledger and any other ledger established by the Cash Administrator in performing the cash administration services, and Ledger means any or all of them;
Legal Maturity Date	means the Payment Date falling in November 2025;
Liabilities	means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever including legal fees and any Taxes and penalties incurred by that person together with any VAT charged or chargeable in respect of any of the sums referred to in this definition;
Liquidity Draw Event	means any of the following events: <ul style="list-style-type: none">(a) the occurrence of an Insolvency Event with respect to the Servicer resulting in either partial or total interruption of the contractually agreed transfers of Collections to the Issuer within the timings set out in the Transaction Documents and the consequence of such interruption is that the Available Distribution Amount available for application on any Payment Date following such interruption is insufficient to pay items (a) to (k) of the Pre-Enforcement Priority of Payments;(b) transfer of the Servicer role to a Successor Servicer resulting in either partial or total interruption of the contractually agreed transfers of Collections to the Issuer within the timings set out in the Transaction Documents and the consequence of such interruption is that the Available Distribution Amount available for application on any Payment Date following such interruption is insufficient to pay items (a) to (k) of the Pre-Enforcement Priority of Payments; or(c) failure by the Servicer to transfer Collections to the Issuer pursuant to the Transaction Documents or failure of any other party involved in the transfer of Collections from the Servicer to the Issuer to so transfer Collections (subject, in each case, to applicable grace periods);
Liquidity Excess Amount	means an amount determined on each Payment Date, being the amount (if any) by which amounts credited to the Liquidity Reserve Fund exceed the Required Liquidity Target Amount determined as at the Calculation Date immediately preceding such Payment Date;
Liquidity Reserve Fund	means a reserve fund providing limited protection against shortfalls in the amounts required to pay senior expenses in accordance with the Pre-Enforcement Priority of Payments and interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes and certain other items ranking prior thereto, initially funded in an amount equal to the Liquidity Reserve Loan Initial Amount from an advance provided by the Liquidity Reserve Loan Provider under the Liquidity Reserve Loan Advance and replenished by a portion of the Available Distribution Amount pursuant to the Pre-Enforcement Priority of Payments;
Liquidity Reserve Ledger	means a ledger in the Transaction Account to which the Liquidity Reserve Fund is credited;
Liquidity Reserve Loan Advance	means the advance made under the Liquidity Reserve Loan Agreement;
Liquidity Reserve Loan Agreement	means the liquidity reserve loan agreement dated on or about the Closing Date and entered into by the Issuer, the Liquidity Reserve Loan Provider and the Trustee;
Liquidity Reserve Loan Initial Amount	means £9,222,500;

Liquidity Reserve Maximum Drawing Limit	means the lowest of: <ul style="list-style-type: none">(a) the amount credited to the Liquidity Reserve Fund;(b) the Required Liquidity Target Amount;(c) the aggregate Asset Amount Outstanding of all Purchased Receivables which (i) are no more than 90 days delinquent and (ii) are not Defaulted Receivables, multiplied by the Weighted Average Interest Rate of such Purchased Receivables; and(d) zero, if the Adjusted Aggregate Asset Amount Outstanding is zero;
Liquidity Reserve Loan Provider	means SC UK, or any successor or assignee thereof;
Liquidity Reserve Shortfall	shall occur if the amounts standing to the credit of the Liquidity Reserve Ledger on any Payment Date, after crediting the Liquidity Reserve Ledger in accordance with the Pre-Enforcement Priority of Payments, fall short of the Required Liquidity Target Amount on the Calculation Date immediately preceding such Payment Date;
Liquidity Shortfall	means, as of any Payment Date, the amount (if any) by which items (a) to (k) of the Pre-Enforcement Priority of Payments exceed the Available Distribution Amount determined on the immediately preceding Calculation Date;
Listing Agent	means Walkers Listing & Support Services Limited, which has its registered office at The Anchorage, 17-19 Sir John Rogerson's Quay, Dublin 2, Ireland;
LTV	means loan-to-value ratio;
Managers	means Banco Santander, Citigroup and Bank of America Merrill Lynch;
Material Adverse Effect	means, as the context specifies: <ul style="list-style-type: none">(a) a material adverse effect on the validity or enforceability of any of the Transaction Documents; or(b) in respect of a Transaction Party, a material adverse effect on: (i) the business, operations, assets, property, condition (financial or otherwise) or prospects of such Transaction Party; (ii) the ability of such Transaction Party to perform its obligations under any of the Transaction Documents; or (iii) the rights or remedies of such Transaction Party under any of the Transaction Documents; or(c) in the context of the Purchased Receivables and Related Collateral, a material adverse effect on the interests of the Issuer or the Trustee in the Purchased Receivables and/or Related Collateral, or on the ability of the Issuer (or the Servicer on the Issuer's behalf) to collect the Purchased Receivables or on the ability of the Trustee to enforce the Security; or(d) a material adverse effect on the validity or enforceability of any of the Notes;
Meeting	means a meeting of Noteholders of any Class or Classes (whether originally convened or resumed following an adjournment);
Member State	means a member state of the EU;
Minimum Denomination	means, (in the case of the Notes represented by a Global Note, for so long as Euroclear or Clearstream, Luxembourg (as applicable) so permit), £100,000 and integral multiples of £1,000 in excess thereof;
Monthly Report	means any monthly report in the form (based on a Microsoft Office template) as set out in a schedule to the Servicing Agreement (detailing, among other things, the state of

repayment and amounts outstanding on the Purchased Receivables, measures taken in respect of overdue payments and enforcement proceedings in respect of any Related Collateral and the status, development and timing of such proceedings and certifying that no Notification Event or Servicer Termination Event has occurred) or otherwise agreed between the Seller, the Servicer and the Issuer, which shall be prepared by the Servicer with respect to each Collection Period and delivered to the Issuer with a copy to the Cash Administrator, the Back-up Servicer Facilitator, the Trustee and, where the Servicer is not SC UK, the Seller, and published in electronic form on its website at the latest seven Business Days prior to each Payment Date;

Moody's	means Moody's Investors Service Ltd. or any successor to its credit rating business;
Negative Carry Event	means an event that occurs if, on any two consecutive Payment Dates, the balance of the Reinvestment Principal Ledger exceeds £60,000,000 as at the Calculation Date immediately preceding the relevant Payment Date;
Net Sale Proceeds	means, in relation to the sale of any Financed Vehicle pursuant to the application of Enforcement Procedures in relation to an Underlying Agreement: <ul style="list-style-type: none"> (a) in a case where the amount received by or on behalf of the Seller in connection with such sale constitutes the consideration for a taxable supply by the Seller for VAT purposes, the result of applying $1/(1 + VR)$ to the total amount received by or on behalf of the Seller in connection with such sale (where VR is the VAT rate applicable to the supply arising from such sale for VAT purposes, expressed as a number rounded to the second decimal point); and (b) in a case other than one falling within (a) above, the total amount received by or on behalf of the Seller in connection with such sale;
Non-Compliant Receivable	means each Purchased Receivable in respect of which any Seller Asset Warranty Breach or Non-Permitted Variation has occurred as at the relevant Reference Date;
Non-Compliant Receivable Repurchase Price	means, on the date of the repurchase of a Non-Compliant Receivable, an amount calculated by the Servicer as equal to the aggregate (in each case, in respect of the relevant Non-Compliant Receivable and as at the date of repurchase and without double-counting) of: <ul style="list-style-type: none"> (a) the Asset Amount Outstanding; <i>plus</i> (b) all other amounts due from the relevant Customer; <i>plus</i> (c) unpaid interest or finance charges accrued (but not yet due and payable); <i>plus</i> (d) the reasonable costs incurred by the Issuer in relation to such repurchase; <i>less</i> (e) any interest or finance charges recovered or received by the Issuer but not yet accrued;
Non-Permitted Variation	means any alteration, modification or addition to any Underlying Agreement which is not a Permitted Variation;
Non-Responsive Rating Agency	means a Rating Agency which indicates that it does not consider a Rating Agency Confirmation or response necessary in the circumstances or, within 30 days of a written request for such Rating Agency Confirmation or response delivered to each Rating Agency by or on behalf of the Issuer (copied to the Trustee), such request elicits no confirmation, response or statement by such Rating Agency that such confirmation or response could not be given;
Northern Irish Receivables	means the Purchased Receivables and Further Receivables governed by or otherwise subject to the law of Northern Ireland, and each a Northern Irish Receivable ;
Note Principal Amount	means, in relation to a Note on any day, the principal amount of such Note upon issue as

Outstanding	reduced by all amounts paid prior to such date on such Note in respect of principal;
Noteholders	means the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders or, where the context otherwise requires, the holders of Notes of a particular Class or Classes;
Notes	means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes;
Notice of Sale	means a notice regarding the sale of the Initial Portfolio or, as the case may be, of Further Receivables and their Related Collateral in, or substantially in, the form of the document so named set out in Schedule 1 (<i>Form of Notice of Sale</i>) to the Receivables Sale Agreement;
Notification Event	means the occurrence of any of the following: <ul style="list-style-type: none">(a) the delivery by the Trustee to the Issuer of an Enforcement Notice in accordance with the Conditions;(b) the occurrence of an Insolvency Event in respect of the Seller;(c) the occurrence of a Servicer Termination Event;(d) the Seller being required to deliver the Notification Event Notice by a requirement of law; or(e) the Security or any material part of the Security being in jeopardy in the sole determination of the Trustee and it being considered necessary or desirable by the Trustee in its sole discretion for a Notification Event Notice to be delivered by the Servicer in order to materially reduce such jeopardy;
Notification Event Notice	means a notice in, or substantially in, the form so named set out in Schedule 10 (<i>Form of Notification Event Notice</i>) to the Receivables Sale Agreement;
NRSROs	means “nationally recognized statistical rating organizations”;
NSS	means the New Safekeeping Structure for Global Notes which are intended to constitute eligible collateral for Eurosystem monetary policy operations;
Official List	means the official list maintained by the Irish Stock Exchange, to which the Notes are admitted, and which is regulated by the listing rules established by the Irish Stock Exchange;
OFT	means the Office of Fair Trading;
Optional Redemption Date	means the date the Notes are redeemed in full following the exercise of the call option by the Seller in accordance with Condition 7.4 (<i>Optional Redemption for Taxation Reasons</i>);

outstanding

means, in relation to the Notes, all the Notes other than:

- (a) those which have been redeemed in full and cancelled in accordance with the Conditions;
- (b) those in respect of which the date for redemption, in accordance with the provisions of the Conditions, has occurred and for which the redemption monies (including all interest accrued thereon to such date for redemption) have been duly paid to the Trustee or the Principal Paying Agent in the manner provided for in the Agency Agreement (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with Condition 13 (*Form of Notices*) and remain available for payment in accordance with the Conditions;
- (c) those which have been surrendered for cancellation as provided in Condition 7 (*Redemption*) and notice of the cancellation of which has been given to the Trustee;
- (d) those which have become void under the Conditions;
- (e) those mutilated or defaced Notes which have been surrendered or cancelled and those Notes which are alleged to have been lost, stolen or destroyed and in all cases in respect of which replacement Notes have been issued pursuant to the Conditions; and
- (f) any Global Note, to the extent that it shall have been exchanged for Definitive Notes of the same Class pursuant to the provisions contained therein and the Conditions,

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of Noteholders;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of Clause 13 (*Waiver*), Clause 14 (*Modifications*), Clause 17 (*Proceedings and Actions by the Trustee*), Clause 32 (*Appointment of Trustees*) and Clause 33 (Notice of a New Trustee) of the Trust Deed and Condition 3.4 (*Enforcement of Payment Obligations*) and Condition 3.8 (*Issuer Event of Default*) and Condition 12 (*Meetings of Noteholders, Modifications, Waiver, Substitution and Exchange*) and the Provisions for Meetings of Noteholders in the Trust Documents; and
- (iii) any discretion, power or authority, whether contained in the Trust Deed or provided by law, which the Trustee is required to exercise in or by reference to the interests of the Noteholders or any Class of them,

those Notes (if any) which are for the time being held by the Issuer, the Seller or any of its Affiliates shall be deemed not to be or remain outstanding, unless (A) the Seller (or any of its Affiliates), holds 100 per cent. of the Notes then outstanding, in which case those Notes shall be deemed to be outstanding, or (B) the Seller (or any of its Affiliates), holds 100 per cent. of any class of the Notes then outstanding, in which case such notes shall be deemed to be outstanding provided that the relevant purpose listed in (i) to (iii) above requires only that a vote or determination is made in respect of such class of the Notes and does not require a vote or determination to be made across classes of Notes;

Overdue Receivable

means any Delinquent Receivable which is three or more Instalments overdue;

Parent

means Banco Santander S.A., Santander UK plc or any other holding company of the Seller;

Participants

means persons who have accounts with Euroclear or Clearstream, Luxembourg and hold Book-Entry Interests;

Paying Agent	means the Principal Paying Agent and/or, as the case may be, any other paying agent appointed in accordance with the terms of the Agency Agreement;
Payment Date	means the 25th day of each calendar month, unless such date is not a Business Day, in which case the payment date shall be the next succeeding Business Day unless such day would thereby fall into the next calendar month, in which case the payment date will be the immediately preceding Business Day in the same calendar month, commencing on the First Payment Date;
Payment Report	means a report substantially in the form set out in Schedule 2 (<i>Motor 2016-1 - Payment Report Contents</i>) of the Cash Administration Agreement which shall include, among other things, information with respect to the Notes (including interest and principal payments, original and outstanding balances and pool factors), Available Distribution Amount, Collections, Liquidity Reserve Ledger, Authorised Investments and payments to Noteholders in respect of interest and principal;
PCS Label	means the Prime Collateral Securities Label;
Permitted Variation	<p>means any alteration, modification or addition to any Underlying Agreement other than one:</p> <ul style="list-style-type: none"> (a) which amends, modifies or removes the right of the Seller to increase the repayments due under the relevant Underlying Agreement as a result of the relevant Customer ceasing to pay by direct debit sums due under such Underlying Agreement; (b) which reduces the interest payable under such Underlying Agreement; (c) which amends, modifies or removes any provision relating to payment of interest on overdue amounts; (d) which reduces the Asset Amount Outstanding of the relevant Purchased Receivable; (e) which extends the term of the Underlying Agreement over 72 months; (f) which amends, modifies or removes any provision relating to delivery of notices to the relevant Customer, other than a minor, technical or administrative amendment; or (g) which amends, modifies or removes any provision to the effect that sums due under such Underlying Agreement shall be payable in arrear, <p>provided that any change in accordance with the Credit and Collection Policy will be a Permitted Variation;</p>
Portfolio	means on any day the Purchased Receivables and their Related Collateral on such day;
Post-Enforcement Priority of Payments	means the priority of payments specified in Condition 7.7 (<i>Post-Enforcement Priority of Payments</i>);
PRA	means the Prudential Regulation Authority;
Pre-Closing Interest Amounts	means any amounts received by the Issuer in respect of the Purchased Receivables in the Portfolio after the Purchase Date on which the relevant Purchased Receivables were purchased by the Issuer in respect of arrears accrued prior to the Reference Date immediately preceding such Purchase Date, other than any arrears which have been capitalised as at the Reference Date;
Pre-Enforcement Priority of Payments	means the priority of payments specified in Condition 7.6 (<i>Pre-Enforcement Priority of Payments</i>);

Principal Paying Agent	means Elavon Financial Services DAC, UK Branch and any successor or assignee thereof;
Priority of Payments	means the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments or both of them;
Prospectus	means this prospectus dated 13 December 2016 prepared by the Issuer in connection with the issuance of the Notes;
Prospectus Directive	means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measures in the relevant Member State;
Provisions for Meetings of Noteholders	means the provisions contained in Schedule 10 (<i>Provisions for Meetings of Noteholders</i>) to the Trust Deed;
Purchase Date	means any of the Initial Purchase Date and each Further Purchase Date (as applicable);
Purchase Price	means, <ul style="list-style-type: none">(a) in respect of the Initial Portfolio, the amount of the consideration payable by the Issuer for the purchase of the Purchased Receivables in the Initial Portfolio and Related Collateral, such amount being equal to the aggregate of:<ul style="list-style-type: none">(i) the Initial Purchase Price; and(ii) the Deferred Consideration payable in accordance with Clause 4.3 (<i>Payment of Deferred Consideration</i>) of the Receivables Sale Agreement; and(b) in respect of any Further Receivables, the amount of the consideration payable by the Issuer for the purchase of the Purchased Receivables comprising Further Receivables and Related Collateral, such amount being equal to the aggregate of:<ul style="list-style-type: none">(i) the Further Receivables Purchase Price; and(ii) the Deferred Consideration payable in accordance with Clause 4.3 (<i>Payment of Deferred Consideration</i>) of the Receivables Sale Agreement.
Purchased Receivable	means any Receivable which is sold and assigned or purported to be sold and assigned by the Seller to the Issuer or held on trust or purported to be held on trust by the Seller for the Issuer in accordance with or pursuant to the terms of the Receivables Sale Agreement including, without limitation, any Receivable which has been transferred to the Issuer on a Further Purchase Date and which, for the avoidance of doubt, has not been repurchased by the Seller;
RAO	means The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, as amended;
Rating Agencies	means S&P (email: ABSEuropeanSurveillance@standardandpoors.com or such other contact details as may be notified by S&P to the Issuer from time to time) or its successor, and Moody's (email: Monitor.abs@moodys.com or such other contact details as may be notified by Moody's to the Issuer from time to time) or its successor;
Rating Agency Confirmation	means any written confirmation or affirmation from the relevant Rating Agencies that the then current ratings of the Notes will not be reduced, qualified or withdrawn thereby;
Realisation	means, in relation to any Security, the deriving, to the fullest extent practicable, (in accordance with the provisions of the Transaction Documents) of proceeds from or in respect of such Security including (without limitation) through sale or through performance by a Customer;
Receivable	means any and all claims and rights of the Seller against a Customer under or in connection with the relevant Underlying Agreement (including all payments due from the Customer under the relevant Underlying Agreement (including VAT, insurance payments or related fees and expenses due and payable by the Customer under the terms of the Underlying Agreement));

Receivables Sale Agreement	means the agreement so named dated on or about the Closing Date between the Issuer, the Seller and the Trustee;
Receiver	means any receiver and manager, receiver or manager, or administrative receiver appointed in respect of the Issuer by the Trustee in accordance with the Deed of Charge;
Record Date	means (i) for so long as the Notes are represented by Global Notes, one Clearing System Business Day prior to each Payment Date, and (ii) if the Notes are represented by Definitive Notes, 15 days prior to each Payment Date;
Records	means, with respect to any Purchased Receivable, Related Collateral, Financed Vehicle and the related Customers, all material contracts, correspondence, files, notes of dealings and other documents, books, books of accounts, registers, records and other information regardless of how stored;
Recoveries	means all amounts received in respect of a Purchased Receivable after a loss in respect of such Purchased Receivable has been determined in respect of such Purchased Receivable;
Reference Banks	means, in relation to GBP LIBOR, four major banks in the London inter-bank market selected by the Cash Administrator;
Reference Date	means, in respect of the Initial Purchase Date, 1 November 2016 and, in respect of any Further Purchase Date, the Calculation Date immediately preceding such Purchase Date;
Reg S Global Notes	means the global notes in a fully registered form offered pursuant to Regulation S;
Register	means the register maintained with the Registrar, in respect of title from time to time to the Notes;
Registrar	means Elavon Financial Services DAC and any successor or assignee thereof appointed pursuant to the Agency Agreement;
Regulation S	means Regulation S under the Securities Act;
Regulatory Change Event	<p>means:</p> <ul style="list-style-type: none">(a) any enactment or establishment of, or supplement or amendment to, or change in any law, regulation, rule, policy or guideline of any Governmental Authority, or the application or official or judicial interpretation of, or view expressed by any Governmental Authority with respect to, any such law, regulation, rule, policy or guideline which, in each case, becomes effective on or after the Closing Date; or(b) receipt by the Seller or its Parent on or after the Closing Date of a notification by or other communication from any Governmental Authority with respect to the transactions contemplated by the Transaction Documents, <p>which, in each case, in the reasonable opinion of the Seller or its Parent, has the effect of materially adversely affecting the rate of return on capital of the Seller or its Parent or materially increasing the cost or materially reducing the benefit to the Seller or its Parent of the transactions contemplated by the Transaction Documents.</p> <p>For the avoidance of doubt, an event shall not be precluded from constituting a Regulatory Change Event by the fact that, prior to the Closing Date:</p> <ul style="list-style-type: none">(a) such event was:<ul style="list-style-type: none">(i) announced or contained in any proposal (whether in draft or final form) for a change in any laws, regulations, applicable regulatory rules, policies or guidelines (including any accord, standard or recommendation of the Basel Committee), as officially or judicially interpreted, implemented or applied by any Governmental Authority;(ii) incorporated in any law or regulation approved and/or published but the effectiveness or application of which was or is deferred, in whole or in part, beyond the Closing Date; or(iii) referred to in any statement by any official of any Governmental

Authority in expert meetings or other discussions; or

- (b) the relevant Governmental Authority has issued any notification, opened any consultation, taken any decision or expressed any view with respect to any individual transaction, other than the transactions contemplated by the Transaction Documents.

Accordingly, such proposals, statements, notifications, consultations, decisions or views will not be taken into account when assessing the rate of return on capital of the Seller or its Parent or an increase in the cost or reduction of the benefit to the Seller or its Parent of the transactions contemplated by the Transaction Documents immediately after the Closing Date;

Regulatory Change Event Call Option

means a call option in favour of the Seller pursuant to which the Seller may repurchase, subject to the satisfaction of certain conditions set out in the Receivables Sale Agreement, all of the outstanding Purchased Receivables (together with any Related Collateral) held by the Issuer at the Repurchase Price;

Reinvestment Principal Ledger

means a ledger in the Sterling Account to which the amounts under item (m) (during the Revolving Period) of the Pre-Enforcement Priority of Payments are credited;

Related Collateral

means, with respect to any Purchased Receivable:

- (a) any and all other present and future claims and rights in respect of the relevant Underlying Agreement, including, without limitation, (i) amounts (if any) received (after the Reference Date immediately preceding the Purchase Date on which such Purchased Receivable was purchased by the Issuer) by the Seller arising from claims by a Customer against the relevant insurer under any Insurance Agreement and (ii) amounts received (after the Reference Date immediately preceding the Purchase Date on which such Purchased Receivable was purchased by the Issuer) by the Seller arising from damage compensation claims based on contracts or torts against the respective Customers or against third parties (including insurers) due to damage to, or loss of, the Financed Vehicles;
- (b) any sureties, guarantees, and any and all present and future rights and claims or arrangements from time to time supporting or securing payment of such Purchased Receivable whether pursuant to the Underlying Agreement relating to such Purchased Receivable or otherwise;
- (c) any and all proceeds which arise (present and future, but after the Reference Date immediately preceding the Purchase Date on which such Purchased Receivable was purchased by the Issuer) in relation to any claim made by the Seller under an insurance policy held by the Seller pursuant to Part 9 (*Insurances*) of Schedule 1 to the Servicing Agreement, **provided that** such proceeds relate to a Purchased Receivable;
- (d) any claims to receive proceeds which arise (after the Reference Date immediately preceding the Purchase Date on which such Purchased Receivable was purchased by the Issuer) from the disposal of or recourse to the Related Collateral, excluding any costs incurred by the Seller or the Servicer in connection with such disposal or recourse and any amounts which are due to the relevant Customer in accordance with the relevant Underlying Agreement; and
- (e) all Records relating to the Purchased Receivables and/or the Related Collateral under items (a), (b), (c) and (d),

including, in the case of each of items (a) to (d) (inclusive) above, any claims to receive proceeds which arise from the disposal of the Financed Vehicles after the Reference Date and, for the avoidance of doubt, any rights or benefits specified in items (a) to (d) above shall only constitute Related Collateral if and when the Seller has title to and is able to transfer such rights or benefits;

Reporting Date	means, in relation to any Calculation Date, the seventh Business Day preceding the Payment Date following such relevant Calculation Date;
Repurchase Notice	means a notice in substantially the same form as set out in Schedule 2 (<i>Form of Notice of Repurchase</i>) to the Receivables Sale Agreement;
Repurchase Price	means the lesser of: <ul style="list-style-type: none"> (a) the aggregate Notes Principal Amount Outstanding plus accrued but unpaid interest thereon, if any, together with all amounts ranking prior thereto in accordance with the Pre-Enforcement Priority of Payments, in each case as at the Early Redemption Date or the Optional Redemption Date, as applicable; and (b) the sum of (a) aggregate Asset Amount Outstanding plus accrued but unpaid interest of the Purchased Receivables that are not Defaulted Receivables or Overdue Receivables and (b) for Overdue Receivables and Defaulted Receivables, the aggregate Asset Amount Outstanding of such Purchased Receivables less the aggregate of the Specific Provisions applied to such Purchased Receivables in the accounting records of the Seller as at the end of the Collection Period immediately preceding the Early Redemption Date;
Required Liquidity Target Amount	means 1.55 per cent. of the Aggregate Note Principal Amount Outstanding in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes; provided that the Required Liquidity Target Amount will be equal to zero if (i) the Aggregate Asset Amount Outstanding is zero, or (ii) the Aggregate Note Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes has been reduced to zero;
Reserved Matter	has the meaning set out in Condition 12 (<i>Meetings of Noteholders</i>);
Revolving Period	means the period of time beginning on (and including) the Closing Date and ending on (but excluding) the Revolving Period End Date;
Revolving Period End Date	means the earlier of (i) the Payment Date falling in January 2019 and (ii) the date on which a Revolving Period Termination Event occurs;
Revolving Period Termination Event	means the occurrence of any of the following: <ul style="list-style-type: none"> (a) an Issuer Event of Default or Notification Event; (b) a change of control with respect to the Seller, and, for the purposes of this definition, the Seller will be treated as being under the control of a person if such person: <ul style="list-style-type: none"> (i) has the power (whether by any ownership of shares, proxy, contract, agency or otherwise) to cast, or control the casting of, more than 50 per cent. of the maximum number of votes that might be cast at a general meeting of the Seller, or appoint or remove all, or the majority, of the directors or other equivalent officers of the Seller or give directions with respect to the operating and financial policies of the Seller with which the directors or other equivalent officers of the Seller are obliged to comply; or (ii) holds (directly or indirectly) more than 50 per cent. of the issued share capital or membership rights of or in the Seller; (c) a Negative Carry Event; (d) the Three Month Moving Average of Delinquent Receivables as at the related Calculation Dates expressed as a percentage of the Aggregate Asset Amount Outstanding of the Purchased Receivables on such Calculation Dates exceeds 1

per cent.;

- (e) an Asset Trigger Event;
- (f) a Liquidity Reserve Shortfall; or
- (g) the Cumulative Gross Defaulted Receivables expressed as a percentage of the Aggregate Asset Amount Outstanding of the Initial Portfolio exceeds 1.25 per cent. within the first calendar year following the Closing Date or 2.50 per cent. thereafter;

Right	has the meaning given to it in the definition of Benefit above;
Rounded Arithmetic Mean	means the arithmetic mean (rounded, if necessary, to the nearest 0.0001%, 0.00005% being rounded upwards);
S&P	means Standard & Poor’s Credit Market Services Europe Limited or any successor to its credit rating business;
Santander UK	means Santander UK plc, a company incorporated in England and Wales with registered number 02294747 whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN, United Kingdom;
Santander UK Group	means Santander UK and its subsidiaries collectively;
SC UK	means Santander Consumer (UK) plc, a company incorporated in England and Wales with registered number 02248870 whose registered office is at Santander House, 86 Station Road, Redhill, Surrey RH1 1SR, United Kingdom;
Scottish Receivables	means the Purchased Receivables and Further Receivables governed by or otherwise subject to Scots law, and each a Scottish Receivable ;
Scottish Supplemental Security	means each Scots law governed assignment in security entered into on (i) the Closing Date and (ii) any Further Purchase Date, by the Issuer in favour of the Trustee;
Scottish Transfer	means each Scots law governed assignment and trust deed entered into on (i) the Closing Date and (ii) any Further Purchase Date, by the Seller in favour of the Issuer;
SEC	means the U.S. Securities and Exchange Commission;
Secured Amounts	means the aggregate of all monies and Liabilities which from time to time are or may become due, owing or payable by the Issuer to each, some or any of the Secured Creditors under the Notes or the Transaction Documents;
Secured Creditors	means the Trustee, the Noteholders, the Servicer, the Seller, the Account Bank, the Transaction Account Bank, the Cash Administrator, the Principal Paying Agent, the Registrar, the Expenses Loan Provider, the Liquidity Reserve Loan Provider, the Agent Bank, the Corporate Administrator and any Appointee and any Receiver appointed pursuant to the Deed of Charge;
Secured Obligations	means the obligations of the Issuer that are subject to the Security;
Securities Act	means the United States Securities Act of 1933, as amended;
Security	means the first ranking security interests created by the Issuer pursuant to the Deed of Charge and any Scottish Supplemental Security;
Seller	means SC UK in its capacity as the seller of the Purchased Receivables and Related Collateral;
Seller Accounts	means the bank accounts held in the name of the Seller at Santander UK plc and the bank accounts held in the name of the Seller at The Royal Bank of Scotland plc to which

monies from the Customers under the Underlying Agreements are paid, as well as any other bank account specified as such by or on behalf of the Seller in the future in addition to or as substitute for such Seller Accounts;

Seller Accounts Declaration of Trust	means the declaration of trust to be dated on or about the Closing Date made by SC UK in relation to the Seller Accounts;
Seller Amount	means any amount received by the Issuer (or by the Servicer on behalf of the Issuer) in respect of any Excluded Right;
Seller Asset Warranty	means the representations and warranties set out in Clause 7.3 (<i>Asset Representations and Warranties of the Seller</i>) of the Receivables Sale Agreement;
Seller Asset Warranty Breach	means a breach of a Seller Asset Warranty in respect of which the relevant matter or circumstance materially and adversely affects the Issuer's interest in the affected Purchased Receivable (without regard to credit enhancement if any) and which, if such matter or circumstance is capable of remedy, has not been remedied within 30 Business Days of the Seller becoming actually aware, or being notified, of the occurrence of such breach;
Seller's Group	<p>means the Seller, together with:</p> <ul style="list-style-type: none"> (a) its holding company; (b) its subsidiaries; and (c) any other affiliated company as set out in the published accounts of any such company, <p>but excluding any entities that are in the business of investing in securities and whose investment decisions are taken independently of, and at arm's length from, the Seller;</p>
Seller Returns Ledger	means a ledger established by the Issuer pursuant to the Cash Administration Agreement to which any Seller Amounts will be credited;
Seller Warranty	means each of the representations and warranties set out in Clause 7.1 (<i>Corporate representations and warranties of the Seller</i>), Clause 7.2 (<i>Transaction Document representations and warranties of the Seller</i>), Clause 7.4 (<i>Consumer Rights Act 2015 representations of the Seller</i>), Clause 7.5 (<i>Consumer Credit representations of the Seller</i>) and Clause 7.6 (<i>Data Protection Act representations of the Seller</i>) of the Receivables Sale Agreement and in Clause 7 (<i>Representations and warranties</i>) of the Servicing Agreement;
Seller Warranty Breach	means a breach of a Seller Warranty which has a Material Adverse Effect and which, for the avoidance of doubt, is not also a Seller Asset Warranty Breach;
Servicer	means SC UK and any successor thereof or Successor Servicer appointed by the Issuer in accordance with the Servicing Agreement;
Servicer Termination Event	<p>means the occurrence of any of the following events:</p> <ul style="list-style-type: none"> (a) the Servicer fails to make a payment due under the Servicing Agreement at the latest on the second Business Day after its due date, or, in the event no due date has been determined, if payable, within three Business Days after the written demand for payment; (b) following a demand for performance, the Servicer fails within five Business Days to perform its material (as determined by the Issuer) obligations (other than those referred to in paragraph (a) above) owed to the Issuer under the Servicing Agreement and such failure would, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders of the Controlling Class; (c) the Servicer is:

- (i) unable to pay its debts when they fall due, or
 - (ii) intends to commence insolvency or reorganisation proceedings or is subject to insolvency or dissolution proceedings and the Servicer fails to remedy or contest in good faith such status within 60 Business Days; or
- (d) any material licence, authorisation or registration of the Servicer required with respect to the Servicing Agreement and the Services to be performed thereunder is revoked or restricted;

Servicer Termination Notice	means a notice to the Servicer from the Issuer or the Trustee (as the case may be) delivered in accordance with the terms of Clause 16 (<i>Servicer Termination Events, Notification Events</i>) of the Servicing Agreement;
Services	means the services to be provided by the Servicer as set out in Schedule 1 (<i>Services to be provided by Servicer</i>) to the Servicing Agreement;
Servicing Agreement	means the agreement so named dated on or about the Closing Date between the Issuer, the Servicer, the Back-up Servicer Facilitator, the Seller and the Trustee;
Share Declaration of Trust	means the discretionary trust dated 13 August 2015 setting out the terms under which the entire issued share capital of Holdings is held by the Share Trustee;
Share Trustee	means Intertrust Corporate Services Limited (formerly SFM Corporate Services Limited) as share trustee or the trustee or trustees for the time being of the share trust deed;
Specific Provision	means a liability recorded in the accounting records of the Seller which pertains to an allowance for the diminution of value of a specific Receivable or specific group of Receivables in accordance with the relevant accounting standards or which would do so if such Receivable(s) were held by the Seller;
SPV Criteria	means the criteria established from time to time by the Rating Agencies for a single purpose company in the relevant jurisdiction;
Standard Form Underlying Agreements	means those Underlying Agreements in place at the Closing Date as described in the section headed " <i>Description of the Portfolio</i> " in this Prospectus save as amended in accordance with the Seller's Credit and Collection Policy from time to time;
Sterling Account	means the Sterling denominated interest-bearing bank account held in the name of the Issuer at the Account Bank, as well as any other Sterling denominated bank accounts specified as such by or on behalf of the Issuer with the consent of the Trustee in the future in addition to or in substitute for such Sterling Account in accordance with the Account Bank Agreement and the Deed of Charge;
Stock Exchange	means the Irish Stock Exchange or any other stock exchange or any other listing authority which has approved the listing of or admitted the Notes to trading from time to time and which is approved for the purposes of the Trust Deed by the Trustee;
Subscription Agreement	means the agreement for the subscription of up to 50 per cent. of the Class A Notes and all of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes dated on or about 13 December 2016 and entered into between the Issuer and the Managers;
Substituted Obligor	means a single purpose company incorporated in any jurisdiction that meets the SPV Criteria;
Successor Servicer	means an entity appointed as a successor servicer in accordance with Clause 21 (<i>Appointment of Successor Servicer</i>) of the Servicing Agreement to perform the Services;
Target Principal Amount	means the Class A Target Principal Amount, the Class B Target Principal Amount, the Class C Target Principal Amount, the Class D Target Principal Amount, the Class E

	Target Principal Amount or the Class F Target Principal Amount, as applicable;
taxes	has the meaning given to it in Condition 10 (<i>Taxes</i>);
Tax Call Option	means a call option in favour of the Seller pursuant to which the Seller may repurchase, subject to the satisfaction of certain conditions set out in Condition 7.4 (<i>Optional Redemption for Taxation Reasons</i>), all of the outstanding Purchased Receivables (together with any Related Collateral) held by the Issuer at the Repurchase Price;
Three Month Moving Average of Delinquent Receivables	means, on any Calculation Date, the arithmetic mean of the last three (available) Delinquency Ratios (including the Delinquency Ratio calculated on that Calculation Date); if less than three Delinquency Ratios are available, the Three Month Moving Average of Delinquent Receivables will be the arithmetic mean of the available observed Delinquency Ratios;
Transaction	means the issuance of the Notes and the transactions contemplated by the Transaction Documents;
Transaction Account	means the bank account held in the name of the Issuer at the Transaction Account Bank, to which monies from the Seller Accounts are paid, as well as any other bank account specified as such by or on behalf of the Issuer with the consent of the Trustee in the future in addition to or as substitute for such transaction account;
Transaction Account Bank	means Santander UK plc, any successor thereof or any other person appointed as Transaction Account Bank in accordance with the Account Bank Agreement and the Deed of Charge from time to time as the bank with whom the Issuer holds the Transaction Account;
Transaction Documents	means the Receivables Sale Agreement, the Servicing Agreement, the Trust Deed, the Deed of Charge, each Scottish Transfer, each Scottish Supplemental Security, the Expenses Loan Agreement, the Liquidity Reserve Loan Agreement, the Cash Administration Agreement, the Account Bank Agreement, the Seller Accounts Declaration of Trust, the Agency Agreement, the Subscription Agreement, the Corporate Administration Agreement, any documents relating to the NSS and any amendments, terminations, restatements or supplements relating to any such document;
Transaction Party	means the Issuer, the Seller, the Servicer, the Account Bank, the Transaction Account Bank, the Corporate Administrator, the Principal Paying Agent, the Cash Administrator, the Managers, the Registrar, the Expenses Loan Provider, the Liquidity Reserve Loan Provider, the Trustee or any other person who is party to a Transaction Document and Transaction Parties means some or all of them;
Trust Deed	means the deed so named dated on or about the Closing Date between the Issuer and the Trustee (including the Conditions and the Notes) and any document expressed to be supplemental to the Trust Deed;
Trust Documents	means the Trust Deed and the Deed of Charge and (unless the context requires otherwise) includes any deed or other document executed in accordance with the provisions of the Trust Deed or (as applicable) the Deed of Charge and expressed to be supplemental to the Trust Deed or the Deed of Charge (as applicable);
Trustee	means U.S. Bank Trustees Limited in its capacity as Trustee under the Trust Deed and any of its successors and assigns from time to time;
TSC Regulations	means the Taxation of Securitisation Companies Regulations 2006 made under section 84 of the Finance Act 2005 on 11 December 2006 (and now taking effect under Chapter 4, Part 13 of the Corporation Tax Act 2010);
Underlying Agreement	means, in relation to any Purchased Receivable, any Conditional Sale Agreement entered into between the Seller and any Customer for the purpose of financing the acquisition of a Financed Vehicle;

United Kingdom, UK or U.K.	means the United Kingdom of Great Britain and Northern Ireland;
United States, US or U.S.	means 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. persons	has the meaning given to it in Regulation S;
VAT	means (a) 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) (including, in relation to the United Kingdom, value added tax imposed by the VATA and legislation and regulations supplemental thereto); and (b) any other tax of a similar nature, whether imposed in a Member State in substitution for or levied in addition to, such tax referred to in (a) above or elsewhere;
VATA	means the Value Added Tax Act 1994;
Voluntary Termination	means, in respect of Conditional Sale Agreements, the exercise by the relevant Customer of a statutory right to voluntarily terminate the related Underlying Agreement by written notice; provided that such Underlying Agreement has not been previously terminated by SC UK or by payment in full or otherwise;
Weighted Average Interest Rate	means, on the relevant Calculation Date, the weighted average interest rate of the relevant Purchased Receivables based on the aggregate Asset Amount Outstanding of such Purchased Receivables as at the relevant Calculation Date; and
Written Resolution	means a resolution in writing signed by or on behalf of one or more persons holding not less than 75 per cent. of the Aggregate Note Principal Amount Outstanding of the Notes of the relevant Class who for the time being are entitled to receive notice of a Meeting in accordance with the Provisions for Meetings of Noteholders, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes of the relevant Class.

GENERAL INFORMATION

Subject of this Prospectus

This Prospectus relates to the issuance by the Issuer of:

- £528,000,000 1.30% Class A Notes,
- £15,000,000 1.80% Class B Notes,
- £30,000,000 3.75% Class C Notes,
- £9,000,000 4.25% Class D Notes,
- £13,000,000 5.25% Class E Notes, and
- £5,000,000 8.50% Class F Notes.

Authorisation

The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on 7 December 2016.

Litigation

The Issuer is not, and has not since its incorporation been, engaged in any governmental, legal or arbitration proceedings which may have or have had during such period a significant effect on its financial position or profitability, and, as far as the Issuer is aware, no such governmental, litigation or arbitration proceedings are pending or threatened, respectively.

Payment Information

In connection with the Notes, the Issuer will procure the notification to the Irish Stock Exchange of the Interest Amounts, the Interest Periods and the Interest Rates and, if relevant, the payments of principal on each Class of Notes, in each case in the manner described in the Conditions.

Payments and transfers of the Reg S Global Notes representing the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will be settled through Clearstream Luxembourg and Euroclear, as described herein. The Reg S Global Notes representing the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes have been accepted for clearing by Clearstream Luxembourg and Euroclear.

So long as the Notes are listed on the Official List and traded on the regulated market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so permit, all notices relating to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes shall be published by delivery to the applicable clearing system. Any such notice shall be deemed to have been given to all Class A Noteholders, all Class B Noteholders, all Class C Noteholders, all Class D Noteholders, all Class E Noteholders and all Class F Noteholders on the same day that such notice was delivered to the applicable clearing system. Notices relating to the Notes may also be published on the announcements section of the website of the Irish Stock Exchange, on the applicable page of the Reuters screen, Bloomberg screen or any other medium for electronic display of data as may be approved by the Trustee.

Material Change

Save as disclosed in this Prospectus, there has been no material adverse change in the financial position or prospects of the Issuer since its most recently published financial accounts.

Miscellaneous

No statutory or non-statutory accounts in respect of any fiscal year of the Issuer have been prepared other than unaudited accounts for the year ended 31 December 2015. The Issuer will not publish interim accounts. The fiscal year in respect of the Issuer is the calendar year.

Any website referred to in this document does not form part of this Prospectus.

Irish Listing

This Prospectus has been approved by the Central Bank, as competent authority under the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market as defined in Article 2(j) of the Prospectus Directive in conjunction with Article 4.1(14) of Directive 2004/39/EC of the European Parliament and of the Council. The Issuer has appointed Walkers Listing & Support Services Limited as Listing Agent for the Irish Stock Exchange. Prior to such listing of the 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.

Copies of such documents may also be obtained free of charge during customary business hours at the specified offices of the Principal Paying Agent and at the registered office of the Issuer.

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

Publication of Documents

This Prospectus will be made available to the public by publication in electronic form on the website of the Central Bank (www.centralbank.ie).

Availability of Documents

From the date hereof as long as the Notes remain outstanding (including during the period while this Prospectus is valid and the Notes are listed on the Official List and traded on the regulated market of the Irish Stock Exchange) the following documents will be available for inspection in physical form during customary business hours on any Business Day at the registered office of the Issuer and the specified office of the Principal Paying Agent:

- (i) the memorandum and articles of association of the Issuer;
- (ii) the resolution of the board of directors of the Issuer approving the issue of the Notes;
- (iii) the unaudited annual financial statements of the Issuer starting from the year ending 31 December 2015 (interim financial statements will not be prepared);
- (iv) all notices given to the Noteholders pursuant to the Conditions;
- (v) this Prospectus and all Transaction Documents referred to in this Prospectus; and
- (vi) annual financial statements of the Seller for the years ended 31 December 2013, 2014 and 2015,

and the following documents will be available on the website of EuroABS (www.euroabs.com):

- (vii) a cashflow model (setting out the transaction cashflows assuming zero losses); and
- (viii) loan-level and detailed summary statistics in respect of the Purchased Receivables.

Post-issuance Reporting

Following the Closing Date, the Principal Paying Agent will provide the Issuer, the Corporate Administrator, the Trustee and, on behalf of the Issuer, by means of notification in accordance with Condition 13 (*Form of Notices*), the Noteholders, and, so long as any of the Notes are listed on the Official List and traded on the regulated market of the Irish Stock Exchange, the Irish Stock Exchange, with the following information, all in accordance with the Agency Agreement and the Conditions of the Notes:

- with respect to each Payment Date, the Interest Amount pursuant to Condition 6.1 (*Interest Calculation*), the Interest Period pursuant to Condition 6.2 (*Interest Period*), the Interest Rate pursuant to Condition 6.3 (*Interest Rate*) and the deferred interest pursuant to Condition 6.6(b) (*Interest Accrual*) with an initial denomination of £100,000;

- with respect to each Payment Date, the amount of principal on each Note pursuant to Condition 7 (*Redemption*) to be paid on such Payment Date with an initial denomination of £100,000;
- with respect to each Payment Date, the Note Principal Amount Outstanding of each Note with an initial denomination of £100,000; and
- in the event the payments to be made on a Payment Date constitute the final payment with respect to the Notes pursuant to Condition 7.2 (*Legal Maturity Date*) of the Conditions of the Notes, the fact that such is the final payment.

In addition, the Issuer shall disclose in the first Investor Report the amount of Notes:

- (i) privately placed with investors which are not the Seller or part of the Seller's Group;
- (ii) retained by the Seller or by a member of the Seller's Group; and
- (iii) publicly placed with investors which are not in the Seller's Group.

The Issuer shall also disclose (to the extent possible), in relation to any amount initially retained by a member of the Seller's Group, but subsequently placed with investors which are not in the Seller's Group, such placement in the next Investor Report.

Each Investor Report shall contain a glossary of terms used in such report.

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

Clearing Codes

Class A Notes

ISIN: XS1531664636
Common Code: 153166463

Class B Notes

ISIN: XS1531664719
Common Code: 153166471

Class C Notes

ISIN: XS1531664982
Common Code: 153166498

Class D Notes

ISIN: XS1531665104
Common Code: 153166510

Class E Notes

ISIN: XS1531665286
Common Code: 153166528

Class F Notes

ISIN: XS1531665369
Common Code: 153166536

ISSUER

Motor 2016-1 PLC
35 Great St. Helen's
London EC3A 6AP
United Kingdom

SELLER AND SERVICER
Santander Consumer (UK) plc

Santander House
86 Station Road
Redhill RH1 1SR
United Kingdom

MANAGERS

Banco Santander, S.A.
Paseo de Pereda 9-12
Santander
Spain

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
London E14 5LB
United Kingdom

Merrill Lynch International

Financial Centre
2 King Edward Street
London EC1A 1HQ
United Kingdom

CORPORATE ADMINISTRATOR
Structured Finance Management Limited

35 Great St. Helen's
London EC3A 6AP
United Kingdom

TRUSTEE

U.S. Bank Trustees Limited
125 Old Broad Street, Fifth Floor
London EC2N 1AR
United Kingdom

PRINCIPAL PAYING AGENT, AGENT BANK AND CASH
ADMINISTRATOR

Elavon Financial Services DAC, UK Branch

5th Floor
125 Old Broad Street
London EC2N 1AR
United Kingdom

REGISTRAR

Elavon Financial Services DAC

Block E
Cherrywood Business Park
Loughlinstown
Dublin
Ireland

LISTING AGENT

Walkers Listing & Support Services Limited

The Anchorage
17-19 Sir John Rogerson's Quay
Dublin
Ireland

AUDITORS OF THE ISSUER

Deloitte LLP
2 New Street Square
London EC4A 3BZ
United Kingdom

ADVISOR TO SELLER AND SERVICER AS TO ENGLISH LAW

Slaughter and May
One Bunhill Row
London EC1Y 8YY
United Kingdom

ADVISOR TO MANAGERS AND TRUSTEE AS TO ENGLISH LAW

Allen & Overy LLP
One Bishops Square
London E1 6AD
United Kingdom

ADVISOR TO MANAGERS
AS TO NORTHERN IRISH LAW

Elliott Duffy Garrett
Royston House
34 Upper Queen Street
Belfast BT1 6FD
United Kingdom

ADVISOR TO MANAGERS AS TO SCOTS LAW
CMS Cameron McKenna LLP

191 West George Street
Glasgow G2 2LD
United Kingdom