IMPORTANT NOTICE

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

You must read the following disclaimer before continuing. The following applies to the prospectus attached to this electronic transmission, and you are therefore advised to read this carefully before reading, accessing or making any other use of the prospectus. In accessing the prospectus, you agree to be bound by the following terms and conditions, including any amendments of such terms and conditions 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 ISSUE OR THE SOLICITATION OF AN OFFER TO BUY, SUBSCRIBE FOR OR OTHERWISE ACQUIRE 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 OR "BLUE SKY" LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT ("**U.S. PERSONS**"), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS AND UNDER CIRCUMSTANCES WHICH WOULD NOT REQUIRE THE ISSUER TO REGISTER UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). IN CONNECTION WITH THE INITIAL DISTRIBUTION OF THE SECURITIES OFFERED HEREBY, THE SECURITIES WILL BE OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES TO PERSONS WHO ARE NOT U.S. PERSONS. THERE HAS BEEN AND WILL BE NO PUBLIC OFFERING OF THE SECURITIES IN THE UNITED STATES.

THE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE PROSPECTUS 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.

TOYOTA FINANCIAL SERVICES (UK) PLC (THE "**SELLER**"), AS THE SPONSOR UNDER THE U.S. RISK RETENTION RULES, DOES NOT INTEND TO RETAIN AT LEAST 5 PER CENT. OF THE CREDIT RISK OF THE SECURITIZED ASSETS FOR THE PURPOSES OF COMPLIANCE WITH THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE U.S. SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "**U.S. RISK RETENTION RULES**"), BUT RATHER IT INTENDS TO RELY ON AN EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES REGARDING NON-U.S. TRANSACTIONS. CONSEQUENTLY, EXCEPT WITH THE PRIOR CONSENT OF THE SELLER (A "**U.S. RISK RETENTION WAIVER**") AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE U.S. RISK RETENTION RULES (AS DEFINED BELOW), THE SECURITIES OFFERED BY THE PROSPECTUS MAY NOT BE SOLD TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON AS DEFINED IN THE U.S. RISK RETENTION RULES ("**RISK RETENTION U.S. PERSON**"). PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF "U.S. PERSON" IN REGULATION S AND THAT PERSONS WHO ARE NOT "U.S. PERSONS" UNDER REGULATION S MAY BE "U.S. PERSONS" UNDER THE U.S. RISK RETENTION RULES. EACH PURCHASER OF SUCH SECURITIES OR A BENEFICIAL INTEREST THEREIN ACQUIRED IN THE INITIAL DISTRIBUTION OF THE SECURITIES BY ITS ACQUISITION OF THE SECURITIES OR A BENEFICIAL INTEREST THEREIN, WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) EITHER (i) IS NOT A RISK RETENTION U.S. PERSON OR (ii) IT HAS OBTAINED A U.S. RISK RETENTION WAIVER FROM THE SELLER, (2) IS ACQUIRING SUCH SECURITIES OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH SECURITIES, AND (3) IS NOT ACQUIRING SUCH SECURITIES OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING SUCH SECURITIES THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES). ANY RISK

RETENTION U.S. PERSON WISHING TO PURCHASE NOTES MUST INFORM THE SELLER AND THE JOINT LEAD MANAGERS THAT IT IS A RISK RETENTION U.S. PERSON.

In order to be eligible to view the prospectus or make an investment decision with respect to the securities, investors must not be a U.S. Person (or, unless the Seller consents otherwise a Risk Retention U.S. Person) or located in the United States. By accepting the e-mail and accessing the prospectus, you will be deemed to have represented to the sender that you have understood and agree to the terms set out herein; you are not a U.S. Person (or unless the Seller consents otherwise, a Risk Retention U.S. Person) or acting for the account or benefit of any U.S. Person (or, unless the Seller consents otherwise, any Risk Retention U.S. Person); the e-mail address that you have given to the sender and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia; and that you consent to delivery of the prospectus by electronic transmission.

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

Under no circumstances does the prospectus constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Class A Notes or the Class B Notes referred to in the prospectus in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of the prospectus who intend to subscribe for or purchase the Class A Notes or the Class B Notes are reminded that any subscription or purchase may only be made on the basis of the information contained in the final prospectus. The prospectus may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licenced broker or dealer and a Joint Lead Manager or any affiliate of a Joint Lead Manager is a licenced broker or dealer in that jurisdiction, the offering will be deemed to be made by such Joint Lead Manager or such affiliate on behalf of the Issuer in such jurisdiction.

On the Closing Date and while any of the Notes remain outstanding, TFSUK will, as an originator for the purposes of the Regulation (EU) 2017/2402 as it forms a part of domestic law of the UK by operation of the EUWA (and as may be amended from time to time, the "**UK Securitisation Regulation**"), retain a material net economic interest of not less than 5% in the securitisation as required by Article 6(1) of the UK Securitisation Regulation the "**UK Retention Requirement**"). In addition, although the EU Securitisation Regulation is not applicable to it, TFSUK, as originator, will retain (on a contractual basis), a material net economic interest of not less than 5% in the securitisation in accordance with Article 6 of Regulation (EU) 2017/2402 (the "**EU Securitisation Regulation**") (not taking into account any relevant national measures) as if it were applicable to it (the "**EU Retention Requirement**" and, together with the UK Retention Requirement, the "**Retention Requirement**" and the retention thereunder the "**Retention**"). Investors should note that the obligation of the Seller to comply with the EU Retention Requirements is strictly contractual and the Seller has elected to comply with such requirements in its discretion.

Article 5 of the EU Securitisation Regulation places certain conditions on investments in a "securitisation" (as defined in the EU Securitisation Regulation) (the "**EU Due Diligence Requirements**") by an "institutional investor" (as defined in the EU Securitisation Regulation). The EU Due Diligence Requirements also apply to investments by certain consolidated affiliates, wherever established or located, of such institutional investors which are CRR firms (as defined by Article 4(1)(2A) of Regulation (EU) No 575/2013) (such affiliates, together with all such institutional investors, "**EU Affected Investors**").

Failure by a EU Affected Investor to comply with the EU Due Diligence Requirements with respect to an investment in the Notes offered by the prospectus may result in regulatory sanctions being imposed by the competent authority of such EU Affected Investor (including the imposition of a higher regulatory capital charges on that investment).

Prospective EU Affected Investors are themselves responsible for analysing their own regulatory position, and should consult their own advisers in this respect and should consider (and where appropriate, take independent advice on) the application of the EU Securitisation Regulation or other applicable regulations and the suitability of the Notes for investment.

You are reminded that the prospectus has been delivered to you on the basis that you are a person into whose possession the prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the prospectus to any other person. By accessing the prospectus, you shall be deemed to have confirmed and represented to us that (A) you have understood and agreed 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 high net worth entity falling within Article 49(2)(A) to (D) of the Financial Services and Markets Act (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.

The prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, TFSUK (in its capacity as the Seller, the Servicer, the Subordinated Lender, the Cash Manager and the Interest Determination Agent), the Transaction Parties, the Joint Lead Managers nor the Co-Arrangers nor any person who controls any of the same nor any director, officer, employee or agent of such person or affiliate of any such person accepts any liability or responsibility for any difference between the prospectus distributed to you in electronic format and the hard copy version available to you on request from the Issuer, the Joint Lead Managers or the Co-Arrangers.

The prospectus is valid for the admission to trading of the Class A Notes on the regulated market of Euronext Dublin until the time when trading on such regulated market begins. The obligation to supplement this prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply, once the Class A Notes are admitted to trading on the regulated market of Euronext Dublin.

Koromo UK 1 PLC

(a public limited company incorporated under the laws of England and Wales with registered number 15852641)

Legal entity identifier (LEI): 635400DRKOGESRBWTM52
Securitisation Transaction Unique Identifier: 635400DRKOGESRBWTM52N202401

Notes	**Initial Aggregate Outstanding Note Principal Amount (GBP)**	**Interest Rate / Reference Rate**	**Relevant Margin**	**Legal Maturity Date**	**Expected Ratings Fitch and S&P**
Class A Notes	500,000,000	Compounded Daily SONIA + Relevant Margin, the sum being subject to a floor of zero	0.60 per cent.	Interest Payment Date falling in October 2034, subject to the Modified Following Business Day Convention	AAAsf / AAA(sf)
Class B Notes	157,895,000	5.00 per cent.	N/A	Interest Payment Date falling in October 2034, subject to the Modified Following Business Day Convention	Not Rated

Co-Arrangers and Joint Lead Managers

BofA Securities** **MUFG Securities EMEA plc**

The date of this Prospectus is 24 September 2024.

** BofA Securities means Merrill Lynch International

Closing Date

The Issuer expects to issue the Class A Notes (the "**Class A Notes**") and the Class B Notes (the "**Class B Notes**" and together with the Class A Notes, the "**Notes**") on 26 September 2024 (the "**Closing Date**").

Underlying Agreements

The Issuer will make payments on the Notes from a portfolio comprising receivables (and certain Ancillary Rights) arising from a pool of Underlying Agreements (the "**Portfolio**") originated by TFSUK with borrowers ("**Obligors**") which will be purchased by the Issuer on the Closing Date. The pool of Underlying Agreements comprises hire purchase agreements and personal contract purchase agreements. These hire purchase agreements and personal contract purchase agreements provide for equal monthly payments over the term of the contract or monthly payments and a final bullet payment or, in respect of the personal contract purchase agreements an additional larger optional "balloon" payment at the end of the term.

Certain characteristics of the Portfolio as at the Initial Cut-Off Date are described in the sections of this Prospectus "*DESCRIPTION OF THE PORTFOLIO*" and in "*PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA*".

Credit Enhancement

- Following the end of the Revolving Period, payments of principal on the Notes will be made in sequential order.
- The Subordinated Loan is subordinate to all payments due in respect of the Notes (both as to payment of interest and principal respectively), as provided in the Subordinated Loan Agreement and the Transaction Documents.

For further explanation, please see "*TRANSACTION OVERVIEW – Credit Structure and Cashflow*".

Liquidity Support

- In relation to the Class A Notes, the subordination in payment of the Class B Notes and the subordination of the amounts payable under the Subordinated Loan.

- The amounts standing to the credit of the Reserve Fund from time to time will serve as liquidity support for the Class A Notes and certain senior expenses ranking in priority thereto for so long as the Class A Notes are outstanding.

For further explanation, please see "*TRANSACTION OVERVIEW – Credit Structure and Cashflow*".

Redemption Provisions

The Notes may be redeemed in whole or in part (as applicable) in the following cases:

- a mandatory redemption in whole on the Legal Maturity Date;
- a mandatory redemption in part on each Interest Payment Date, subject to availability of Available Receipts in accordance with the Pre-Acceleration Priority of Payments;
- an optional redemption in whole exercisable by the Issuer on any Interest Payment Date (a) following the Determination Date on which the Aggregate Discounted Receivables Balance of all of the Purchased Receivables is equal to or less than 10% of the Aggregate Discounted Receivables Balance of all of the Purchased Receivables as at the Initial Cut-Off Date or (b) on which the Class A Notes (including any interest accrued but unpaid thereon) are redeemed in full; and
- an optional redemption in whole on any Interest Payment Date exercisable by the Issuer for tax reasons.

Information on any optional and mandatory redemption of the Notes is summarised in the section "*TRANSACTION OVERVIEW - Overview of the Conditions of the Notes"* and set out in full in Condition 5 (*Redemption*).

Credit Rating Agencies

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

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union ("**EU**") and registered under Regulation (EC) No 1060/2009 (as amended) of the European Parliament (the "**EU CRA Regulation**") unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the EU CRA Regulation and such registration is not refused. Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances.

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

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

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

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

The rating Fitch has given to the Class A Notes is endorsed by Fitch Ratings Ireland Limited, which is established in the EU and registered under the EU CRA Regulation. The rating S&P has given to the Class A Notes is endorsed by S&P Global Ratings Europe Limited, which is established in the EU and registered under the EU CRA Regulation.

Each of Fitch Ratings Ireland Limited and S&P Global Ratings Europe Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at

https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the EU CRA Regulation. Such website and its contents do not form part of this Prospectus.

Credit Ratings

Fitch: The ratings assigned to the Class A Notes by Fitch address, among other matters:

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

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

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

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

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

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

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

Listing

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

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Class A Notes to be admitted to its official list (the "**Official List**") and trading on the regulated market of Euronext Dublin (the "**Regulated Market**"). Such approval relates only to the Class A Notes which are admitted to trading on a regulated market of Euronext Dublin or other regulated markets for the purpose of Directive 2014/65/EC or which are to be offered to the public in any Member State of the EEA.

This Prospectus is valid until 24 September 2025. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies will cease to apply once the Class A Notes have been admitted to trading on the Regulated Market.

Obligations

The Notes and the Subordinated Loan will be obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Notes and the Subordinated Loan will not be obligations of, or guaranteed by, or be the responsibility of TFSUK, its affiliates or any other party to the Transaction Documents other than the Issuer.

UK and EU Retention Undertaking

On the Closing Date and while any of the Notes remain outstanding, TFSUK will, as an originator for the purposes of the UK Securitisation Regulation, retain a material net economic interest of not less than 5% in the securitisation as required by Article 6(1) of the UK Securitisation Regulation the "**UK Retention Requirement**"). In addition, although the EU Securitisation Regulation is not applicable to it, TFSUK, as originator, will retain (on a contractual basis), a material net economic interest of not less than 5% in the securitisation in accordance with Article 6(1) of the EU Securitisation Regulation (not taking into account any relevant national measures) as if it were applicable to it (the "**EU Retention Requirement**" and, together with the UK Retention Requirement, the "**Retention Requirement**" and the retention thereunder the

"**Retention**"). Investors should note that the obligation of the Seller to comply with the EU Retention Requirements is strictly contractual and the Seller has elected to comply with such requirements in its discretion.

As at the Closing Date, the Retention will in accordance with Article 6(3)(d) of the UK Securitisation Regulation and the EU Securitisation Regulation, be complied with through the holding of the Class B Notes and the Subordinated Loan. Any change to the manner in which such interest is held will be notified to Noteholders. See the section entitled "*RISK RETENTION AND SECURITISATION REGULATION REPORTING*" for more information.

UK Simple, Transparent and Standardised (STS) Securitisation

As at the Closing Date, pursuant to Article 27(1) of the UK Securitisation Regulation, the Seller intends to notify the FCA that the Transaction will meet the requirements of Articles 20 to 22 of the UK Securitisation Regulation (the "**UK STS Notification**"). The purpose of the UK STS Notification is to set out how in the opinion of the Seller each requirement of Articles 19 to 22 of the Securitisation Regulation has been complied with. The FCA is obliged to maintain on its website a list of all securitisations which the originators and sponsors have notified as meeting the STS requirements in accordance with Article 27(5) of the UK Securitisation Regulation. For this purpose, the FCA has set up a register on an interim basis under http://data.fca.org.uk/#/sts/stssecuritisations.

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:

- criteria for the granting of credit and the process for approving, amending, renewing and re-financing credits, as to which please see further the section of the Prospectus headed "*CREDIT AND COLLECTION PROCEDURES*" and "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement*";

- systems in place to administer and monitor the various credit-risk bearing portfolios and exposures, as to which we note that the Portfolio will be serviced in line with the usual servicing procedures of the Seller – please see further the section of the Prospectus headed "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement*";

- diversification of credit portfolios given the Seller's target market and overall credit strategy, as to which, in relation to the Portfolio, please see the section of the Prospectus headed "*DESCRIPTION OF THE PORTFOLIO*" and "*PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA*"; and

- policies and procedures in relation to risk mitigation techniques, as to which please see further the sections of the Prospectus headed *"CREDIT AND COLLECTION PROCEDURES"* and *"OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement*".

U.S. Risk Retention Rules

The Seller, as the sponsor under the U.S. Risk Retention Rules, does not intend to retain at least 5 per cent. of the credit risk of the securitised assets for purposes of compliance with the final rules promulgated under Section 15G (the "**U.S. Risk Retention Rules**") of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), but rather intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. See the section entitled "*Risk Factors – U.S. Risk Retention*".

Eurosystem Eligibility

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. On the Closing Date, the Class A Notes will be issued under the new safekeeping structure ("**NSS**"). This means that the Class A Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as Common Safekeeper and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. In particular, please see the risk factor entitled "*EUROSYSTEM ELIGIBILITY*" below. The Class B Notes will not currently qualify for Eurosystem eligibility.

Volcker Rule

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

Significant Investor

TFSUK will, on the Closing Date, acquire 100% of the Class B Notes. Please refer to the section entitled "*SUBSCRIPTION AND SALE*" for further details. TFSUK is free to, subject to compliance with the Retention Requirements, deal with the Class B Notes in its sole discretion.

	It is possible that on or following the Closing Date an investor may acquire a significant holding in the Class A Notes, potentially giving it an ability to pass or block Noteholder resolutions of the Class A Notes.
UK and EU Benchmark Regulation	Interest payable under the Class A Notes is calculated by reference to SONIA. As at the date of this Prospectus, the administrator of SONIA is not included in either (i) the FCA's register of administrators under Article 36 of Regulation (EU) No 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**") or (ii) ESMA's register of administrators under Article 36 of (Regulation (EU) 2016/1011) (the "**EU Benchmark Regulation**"). The Bank of England, as administrator of SONIA, is exempt under Article 2 of the UK Benchmarks Regulation but has issued a statement of compliance with the principles for financial benchmarks issued in 2013 by the International Organization of Securities Commissions.
UK Securitisation Regulation – transaction overview requirements	The Issuer and the Seller intends that this Prospectus constitutes a transaction summary/overview of the main features of the transaction contemplated herein for the purposes of Article 7(1)(c) of the UK Securitisation Regulation.

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

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

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

IMPORTANT NOTICE

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

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

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

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR UNDER THE SECURITIES LAWS OR "BLUE SKY" LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT ("**U.S. PERSONS**"), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS AND UNDER CIRCUMSTANCES WHICH WOULD NOT REQUIRE THE ISSUER TO REGISTER UNDER THE INVESTMENT COMPANY ACT. IN CONNECTION WITH THE INITIAL DISTRIBUTION OF THE SECURITIES OFFERED HEREBY, THE NOTES WILL BE OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES TO PERSONS WHO ARE NOT U.S. PERSONS. THERE HAS BEEN AND WILL BE NO PUBLIC OFFERING OF THE NOTES IN THE UNITED STATES. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON RESALES OR TRANSFERS, SEE THE SECTION ENTITLED "SELLING RESTRICTIONS".

THE SELLER, AS THE SPONSOR UNDER THE U.S. RISK RETENTION RULES, DOES NOT INTEND TO RETAIN AT LEAST 5 PER CENT. OF THE CREDIT RISK OF THE SECURITIZED

ASSETS FOR PURPOSES OF COMPLIANCE WITH THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE U.S. SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "**U.S. RISK RETENTION RULES**"), BUT RATHER INTENDS TO RELY ON AN EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES REGARDING NON-U.S. TRANSACTIONS. CONSEQUENTLY, EXCEPT WITH THE PRIOR CONSENT OF THE SELLER AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE U.S. RISK RETENTION RULES, THE NOTES MAY NOT BE SOLD TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RISK RETENTION U.S. PERSON. PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF "U.S. PERSON" IN REGULATION S AND THAT PERSONS WHO ARE NOT "U.S. PERSONS" UNDER REGULATION S MAY BE "U.S. PERSONS" UNDER THE U.S. RISK RETENTION RULES. EACH PURCHASER OF SUCH NOTES OR A BENEFICIAL INTEREST THEREIN ACQUIRED IN THE INITIAL DISTRIBUTION OF THE NOTES BY ITS ACQUISITION OF SUCH NOTE OR A BENEFICIAL INTEREST THEREIN, WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) EITHER (i) IS NOT A RISK RETENTION U.S. PERSON OR (ii) IT HAS OBTAINED A U.S. RISK RETENTION WAIVER FROM THE SELLER, (2) IS ACQUIRING SUCH SECURITIES OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH SECURITIES, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING SUCH NOTE THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES). ANY RISK RETENTION U.S. PERSON WISHING TO PURCHASE NOTES MUST INFORM THE SELLER AND THE JOINT LEAD MANAGERS THAT IT IS A RISK RETENTION U.S. PERSON.

The Issuer is of the view that it is NOT a "covered fund" under the "Volcker Rule". any prospective investors, including U.S. or foreign banks or subsidiaries or other affiliates thereof, should consult their own legal advisers regarding such matters and other effects of the Volcker Rule.

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

Governing Law

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

Form of the Notes

Each of the Class A Notes, and the Class B Notes will be issued in registered form and in denominations of £100,000 and integral multiples of £1,000 in excess of £100,000, up to and including £199,000. Interests in each of the Class A Notes and the Class B Notes will be represented by a global registered note (each, a "**Global Note**"), without interest coupons attached. The Global Notes representing the Class A Notes will be deposited on the Closing Date with one of Euroclear Bank SA/NV, or "**Euroclear**" or Clearstream Banking S.A. or "**Clearstream,**

Luxembourg" which will act as the Common Safekeeper for the Class A Notes. The Global Notes representing the Class B Notes will be deposited on or around the Closing Date with a Common Depositary for Clearstream, Luxembourg and Euroclear. Except in certain limited circumstances, the global notes will not be exchangeable for registered definitive notes, or "definitive notes", and no definitive notes will be issued with a denomination above £199,000. If definitive notes are issued, Noteholders should be aware that definitive notes which have a denomination that is not an integral multiple of the minimum authorised denomination may be illiquid and difficult to trade.

Payments in respect of the Notes

Interest on the Notes will accrue on the Outstanding Note Principal Amount of each Note at a per annum rate equal to:

(a) Compounded Daily SONIA plus 0.60 per cent. subject to a floor of zero, in the case of the Class A Notes; and

(b) 5.00 per cent., in the case of the Class B Notes.

Interest will be payable in Sterling by reference to successive interest accrual periods (each, an "**Interest Period**") monthly (or such shorter period for the first Interest Period) in arrear on the 23rd calendar day of each calendar month, as modified by the Modified Following Business Day Convention (each, an "**Interest Payment Date**"). The first interest payment date will be 23 October 2024.

The Notes will mature on the Interest Payment Date falling in October 2034, subject to the Modified Following Business Day Convention (the "**Legal Maturity Date**"), unless previously redeemed in full (see "*CONDITIONS OF THE NOTES — Condition* 5(a) *(Final redemption)*"). Amortisation of the Notes will commence on the expiry of the Revolving Period, subject to availability of Available Receipts in accordance with the Pre-Acceleration Priority of Payments.

Benchmarks

EU Benchmark Regulation

Interest payable under the Class A Notes is calculated by reference to SONIA. As at the date of this Prospectus, the administrator of SONIA does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to article 36 of (Regulation (EU) 2016/1011) (the "**EU Benchmark Regulation**"). As far as the Issuer is aware, Article 2 of the EU Benchmark Regulation applies, such that the Bank of England, as the administrator of SONIA, is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

UK Benchmark Regulation

As at the date of this Prospectus, the Bank of England, as the administrator of SONIA, does not appear on the register of administrators and benchmarks established and maintained by the FCA pursuant to the EU Benchmark Regulation as it forms part of UK domestic law by virtue of the EUWA (the "**UK Benchmark Regulation**"). The Bank of England is not required to be registered by virtue of Article 2 of the UK Benchmark Regulation but has issued a statement of compliance with the principles for financial benchmarks issued in 2013 by the International Organization of Securities Commissions.

Commercial Activities

Certain of the Co-Arrangers, the Joint Lead Managers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer, the Seller and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Co-Arrangers, the Joint Lead Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the account of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Seller or their affiliates. Certain of the Co-Arrangers and the Joint Lead Managers or their respective affiliates that have a lending relationship with the Issuer, the Seller or their affiliates routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Co-Arrangers, Joint Lead Managers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Co-Arrangers, the Joint Lead Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Responsibility Statements

The Issuer accepts responsibility for the information contained in this Prospectus and declares that the information in this Prospectus, to the best of its knowledge, is in accordance with the facts and contains no omission likely to affect its import.

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

The Seller, the Servicer, the Subordinated Lender, the Cash Manager and the Interest Determination Agent accept responsibility for the information contained in the first paragraph of the section entitled "*RISK RETENTION AND SECURITISATION REGULATION REPORTING*" and the sections entitled "*PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA*", "*THE SELLER, THE SERVICER, THE SUBORDINATED LENDER, THE CASH MANAGER AND THE INTEREST DETERMINATION AGENT*", "*CREDIT AND COLLECTION PROCEDURES*" and section 1 (RECIEVABLES) of the section entitled "*DESCRIPTION OF THE PORTFOLIO*" (but not, for the avoidance of doubt and to the extent applicable, any information in the sections cross-referred to in such sections) (together, the "**TFSUK Information**"). The Seller, the Servicer, the Subordinated Lender, the Cash Manager and the Interest Determination Agent declare that, to the best of their knowledge, the information in such sections is in accordance with the facts and contains no omission likely to affect its import. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Seller, the Servicer, the Subordinated Lender, the Cash Manager and the Interest Determination Agent as to the accuracy or completeness of any information contained in this Prospectus (other than in the sections referred to above and not specifically excluded therein) or any other information supplied in connection with the Notes or their distribution.

The Swap Provider accepts responsibility for the section entitled "*THE SWAP PROVIDER*" and declares that the information in such section, to the best of its knowledge, is in accordance with the facts and contains no omission likely to affect its import.

No representations about the Notes

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

To the fullest extent permitted by law, none of the Co-Arrangers, the Joint Lead Managers, the Security Trustee, the Note Trustee, the Account Bank or the Agents accepts any responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by the Co-Arrangers, the Joint Lead Managers, the Note Trustee or the Security Trustee, the Account Bank or the Agents or any other person or on their behalf in connection with the Issuer or the issue and offering of the Notes. Each of the Co-Arrangers, the Joint Lead Manager, the Note Trustee the Security Trustee, the Account Bank and the Agents accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

None of the Co-Arrangers, the Joint Lead Managers, the Note Trustee and the Security Trustee, the Account Bank and the Agents shall be responsible for compliance by the Issuer, the Seller, the Servicer, the Subordinated Lender, the Cash Manager, the Interest Determination Agent or any other Transaction Party with the requirements of the UK Securitisation Regulation and the EU Securitisation Regulation. Each potential purchaser of the Notes should determine the relevance of the information contained in this Prospectus or part hereof and the purchase of Notes should be based upon such investigation as each purchaser deems necessary.

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

Selling Restrictions

The Notes have not been, and will not be, registered under the Securities Act, or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and under circumstances which would not require the Issuer to register under the Investment Company Act. In connection with the initial distribution

of the securities offered hereby, the Notes will be offered and sold only outside the United States to persons who are not U.S. Persons. There has been and will be no public offering of the Notes in the United States.

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

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

No action has been taken by the Issuer or the Seller or the Co-Arrangers or the Joint Lead 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, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus (nor any part hereof) nor any information memorandum, offering circular, form of application, advertisement or other offering materials may be issued, distributed or published in any country or jurisdiction except in compliance with applicable laws, orders, rules and regulations, and the Issuer, the Co-Arrangers and the Joint Lead Managers have represented that all offers and sales by them have been made on such terms.

This Prospectus may only be used for the purposes for which it has been published. 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 any offer to buy any of the securities offered hereby in any circumstances in which such offer or solicitation is unlawful. The distribution of this Prospectus (or of any part thereof) and the offering and sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part thereof) may come, are required by the Issuer, the Seller and the Co-Arrangers and the Joint Lead Managers to inform themselves about and to observe any such restrictions. 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 of any part thereof), see "*SUBSCRIPTION AND SALE*".

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

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

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

The Notes are being offered only to a limited number of investors that are willing and able to conduct an independent investigation of the characteristics of the Notes and the risks of ownership of the Notes. It is expected that prospective investors interested in participating in this offering will conduct an independent investigation of the risks posed by an investment in the Notes. Prospective purchasers of the Notes must be able to hold their investment for an indefinite period of time.

MiFID II Product Governance / Professional investors and ECPs only target market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

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

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPs Regulation / Prohibition of Sales to EEA Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs Regulation / Prohibition of Sales to UK Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not

qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Interpretation

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "£", "Sterling" and "Pounds Sterling" are references to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

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

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

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

Forward-Looking Statements

Certain matters contained herein are forward-looking statements. Such statements appear in a number of places in this 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. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements 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. None of the Co-Arrangers, the Joint Lead Managers or any of their affiliates, directors, officers, servants, agents, employees and advisors make any representation, warranty or undertaking or accept any responsibility, either expressly or impliedly, as to the fairness, adequacy completeness or accuracy of the preliminary information contained herein or as to the reasonableness of any assumptions on which any of the same is based or the use of any of the same. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. The Co-Arrangers and the Joint Lead Managers have not 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 Co-Arrangers, the Joint Lead Managers or the Transaction Parties undertake any obligation to update or revise for accuracy, adequacy, correctness or completeness any forward-looking statements, whether as a result of new information, future events or otherwise or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements.

CONTENTS

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur.

Factors which the Issuer believes are material for the purpose of assessing the market risks associated with the Notes are also described below.

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

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes based on the probability of their occurrence and the expected magnitude of their negative impact. However, the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons not known to the Issuer. Prospective investors are requested to carefully consider all the information in this Prospectus prior to making any investment decision. Prospective investors should make such inquiries and investigations as they consider necessary without relying on the Issuer, the Co-Arrangers, the Joint Lead Managers or any other party referred to herein.

For the avoidance of doubt, the Class B Notes are not being offered under this Prospectus and, accordingly, the following risk factors are not intended to address risks relevant to any prospective holder of the Class B Notes. Any risks set out herein which refer or apply to the Class B Notes are incidental and have been included for the benefit of prospective investors insofar as such risks may be relevant to any investment decision in respect of the Class A Notes.

The purchase of the Notes is only suitable for investors (i) that possess adequate knowledge and experience in structured finance investments and have the necessary background and resources to evaluate all relevant risks related with such investments; (ii) that are able to bear the risk of loss of their investment (up to a total loss of the investment) without having to prematurely liquidate the investment; and (iii) that are able to assess the tax aspects and implications of such investment independently.

Furthermore, each potential investor should base its investment decision on its own and independent investigation and on the advice of its professional advisors (with whom the investor may deem it necessary to consult), be able to assess whether an investment in the Notes (i) is in compliance with its financial requirements, its targets and situation (or if it is acquiring the Notes in a fiduciary capacity, those of the beneficiary); (ii) is in compliance with its principles for investments, guidelines for or restrictions on investments (regardless of whether it acquires the Notes for itself or as a trustee); and (iii) is an appropriate investment for itself (or for any beneficiary if acting as a trustee), notwithstanding the risks of such investment.

Neither the Issuer, nor the Co-Arrangers, nor the Joint Lead Managers 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.

1. RISKS RELATING TO THE AVAILABILITY OF FUNDS TO PAY THE NOTES

Performance of Purchased Receivables Uncertain

The payment of interest and (following the end of the Revolving Period) principal on the Notes is dependent on, among other matters, the performance of the Purchased Receivables. Accordingly, the Noteholders will be exposed to the credit risk of the Obligors, including the risk of default in payment by the Obligors. None of the Seller, the Servicer nor the Issuer guarantees or warrants the full and timely payment by the Obligors of any scheduled repayments payable under the Purchased Receivables.

The performance of the Purchased Receivables depends on a number of factors, including general economic conditions, unemployment levels, the circumstances of individual Obligors (including his or her assets and liabilities as well as his or her ability to generate sufficient income to make the required payments), TFSUK's underwriting standards at origination and the success of TFSUK's servicing and collection strategies. Consequently, there can be no assurance as to how the Purchased Receivables (and accordingly the Notes) will perform based on credit evaluation scores or other similar measures. If the performance of the Purchased Receivables was adversely affected by such factors, the Issuer's ability to make payments of interest and/or principal on the Notes could be adversely affected.

The rate of recovery upon an Obligor default may itself be influenced by various economic, tax, legal and other factors such as changes in the value of the Vehicles or the level of interest rates from time to time. See "*Risk Factors – Risk of Early Repayment*".

Reliance on Credit and Collection Procedures

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

Risk of Late Payment of Monthly Instalments

Whilst each Underlying Agreement has due dates for scheduled payments thereunder, there is no assurance that the Obligors under those Underlying Agreements will pay in time, or at all. Obligors may default on their obligations due under the Underlying Agreements for a variety of financial and personal reasons, including loss or reduction of earnings (either due to reduction in working hours or salary or otherwise), illness (including any illness arising in connection with an epidemic or a pandemic), divorce, breakdown of relationship and other similar factors which may, individually or in combination lead to an increase in delinquencies by and bankruptcies of the Obligors. Any such failure by the Obligors to make payments under the Underlying Agreements would have an adverse effect on the Issuer's ability to make payments under the Notes. The Reserve Fund in part mitigates the risk of late payment by Obligors. Prior to the

delivery of a Note Acceleration Notice in the event of shortfalls under the Purchased Receivables the Issuer may draw on amounts standing to the credit of the relevant Reserve Fund to make payments in respect of interest on the Class A Notes in accordance with the applicable Priority of Payments. However, no assurance can be given that the Issuer will have sufficient funds to make payments in full in respect of the Notes.

Risk of Early Repayment

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

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, inflation and cost of living, the buoyancy of the auto finance market, the availability of alternative financing, yields on alternative investments, political developments and government policies 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 *"Risk Factors – RISKS RELATING TO THE AVAILABILITY OF FUNDS TO PAY THE NOTES – Performance of the Purchased Receivables is uncertain*".

Right to Vehicles and reliance on residual value

Pursuant to the Underlying Agreements which are PCP Agreements, at the end of the term of the PCP Agreement, an Obligor may either settle the contract by paying the final balloon payment and any related administrative fees (and thereby purchase the Vehicle) or, subject to the Vehicle being within the agreed mileage (or if not, the Obligor paying an Excess Mileage charge for all mileage exceeding the agreed mileage) and, where applicable, the Obligor reimbursing TFSUK in respect of any costs incurred by TFSUK to refurbish the Vehicle to a condition acceptable to TFSUK, and the Obligor being up to date with regular monthly repayments (or clearing any arrears of monthly payments and other fees and charges which have fallen due during the term of the agreement), return the Vehicle to TFSUK in full and final settlement of the PCP Agreement. If the Obligor decides not to pay the final balloon payment and instead returns the Vehicle to TFSUK, TFSUK will be under an obligation pursuant to the Receivables Purchase Agreement to sell the Vehicle and to remit the proceeds of such sale to the Issuer. There can be no assurance, however, that TFSUK will be able to sell the related Vehicle such that the proceeds remitted to the Issuer from the sale of the Vehicle returned by an Obligor in lieu of a final balloon payment will be sufficient to cover the balloon payment of the Vehicle as anticipated at the outset of the Underlying Agreement. The Issuer will be exposed to the risk that due to economic, market and social factors in the used vehicle market, including industry specific effects such as the potential impact of an increasingly negative sentiment around diesel vehicles. This may result in the Issuer receiving less than it would have

expected in respect of the related Purchased Receivable, which could impact on the ability of the Issuer to make payments on the Notes. It is noted however that the Redelivery Repurchase Agreement is an available mitigant in this regard.

Potential adverse changes to the value and/or composition of the Portfolio – right to Vehicle sale proceeds may not be sufficient to ensure the Issuer's ability to make payments under the Notes

No assurances can be given that the respective values of the Vehicles to which the Portfolio relates have not depreciated and will not depreciate at a rate greater than the rate which they were expected to do so on the date of origination of the Receivables. Any proceeds of sale of a Vehicle by TFSUK following its repossession or return (including where such return is as a result of the Voluntary Termination of an Underlying Agreement relating to a Purchased Receivable) may be less than the amount owed under the related Underlying Agreement relating to a Purchased Receivable, and any Vehicle, subject to any terms in the related Underlying Agreement relating to a Purchased Receivable restricting the formation of liens, may be subject to an existing lien (for example, in respect of repairs carried out by a garage for which no payment has yet been made). There might be various risks involved in the sales of used vehicles which could significantly influence the amount of proceeds generated from the sale, e.g. high mileage and damage, less popular configuration (engine, colour etc.), oversized special equipment, large numbers of homogeneous types of vehicles coming to market in short time intervals, general price volatility in the used vehicles market, seasonal impact on sales or changes in customer preferences (for example, a movement away from diesel engines). This could result in the Issuer receiving less in respect of the related Purchased Receivable following a sale of the relevant Vehicle than it anticipated. This could have an adverse effect on the Issuer's ability to make payments under the Notes.

Vehicle Recalls

Vehicle manufacturers have in the past and may in the future announce recalls and temporary suspension of sales and production of certain models of their vehicles due to a discovered defect or other issue which affects the performance, safety or use of such vehicles.

In the event of any recall, an Obligor may attempt (whether legally entitled or otherwise) to withhold or set-off payments due under a Underlying Agreement, terminate their Underlying Agreement (with or without the payment of an early repayment fee or charge) or claim for any loss suffered by them as a result of such recall (for further discussion of these risks, see the risk factors entitled "*RISK FACTORS - Legal and regulatory risks relating to the Purchased Receivables (Underlying Agreements regulated by Consumer Credit Act 1974 (as amended) and Liability for Misrepresentations and Breach of Contract)*").

The publicity surrounding any product recall may also result in an increase in the number of Obligors choosing to exercise their rights pursuant to the CCA to voluntarily terminate any regulated Underlying Agreement relating to a Vehicle affected by a manufacturer recall, as to which we would refer you to the risk factor entitled "*RISK FACTORS - Legal and regulatory risks relating to the Purchased Receivables (Underlying Agreements regulated by Consumer Credit Act 1974 (as amended))*" below.

An adverse impact on the value of a vehicle which is affected by a manufacturer recall could result in lower recoveries on a sale or other disposition of a Vehicle being the subject of a Underlying Agreement following default by an Obligor or following a Voluntary Termination. This may result in a reduction in the amounts available to the Issuer to meet its obligations to the Noteholders. An adverse impact on the value of the affected Vehicles

may also increase the likelihood that an Obligor would not exercise an option to purchase by paying the balloon payment under any PCP Agreements.

In addition, it is possible that an Obligor could claim against TFSUK as the counterparty to the Underlying Agreement in relation to a vehicle affected by a manufacturer recall pursuant to common law, the Misrepresentation Act 1967, the Sale of Goods Act 1979 or the CRA15 (as to which see the risk factor entitled "*RISK FACTORS – Legal and regulatory risks relating to the Purchased Receivable (Liability for Misrepresentations and Breach of Contract))*". The consequences of any successful claim could include one or more of damages, rescission of the relevant Underlying Agreement or termination of the relevant Underlying Agreement, depending on the claim. If a successful claim is brought against TFSUK, it is likely that TFSUK would have a claim against the relevant dealer. Such a claim would likely be equal to the loss suffered by TFSUK in respect of the claim brought by the Obligor and, if received, would reduce any loss suffered by TFSUK in respect of a claim referenced in the paragraph above. Whether or not TFSUK is able to fully recover any loss suffered will depend on the particular facts of the claim and the solvency of the relevant dealer. The Obligor may be able to set-off such damages against the Receivable.

Geographic Concentration Risk

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

Liability under the Notes

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

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

Limited resources of the Issuer

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

(a) payments of Collections under the Purchased Receivables, which in turn will be dependent on:

  (i) the receipt by the Servicer or its agents of Collections from Obligors in respect of the Purchased Receivables and the payment of those amounts by the Servicer in accordance with the Servicing Agreement and the Receivables Sale and Purchase Agreement; and

  (ii) the receipt by the Issuer of amounts due to be paid by the Seller as a result of the repurchase of any Non-Compliant Receivables by the Seller or payment of any Receivables Indemnity Amounts;

(b) amounts received under the Swap Agreements;

(c) the amount standing to the credit of the Reserve Fund (including the proceeds from the Subordinated Loan);

(d) net interest earned on the Reserve Fund and the Transaction Account;

(e) upon the occurrence of a Servicer Termination Event and while such Servicer Termination Event is continuing, any sum standing to the credit of the Commingling Reserve Ledger, as is equal to any Servicer Shortfall caused on the part of TFSUK as Servicer; and

(f) payments, if any, under the other Transaction Documents in accordance with the terms thereof.

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

Incorrect payments

The Conditions of the Notes provide that if, for whatever reason, an incorrect payment is made to any party entitled thereto (including the Noteholders of any Class) pursuant to the Pre-Acceleration Priority of Payments or the Post-Acceleration Priority of Payments, the Issuer (acting on the instructions of the Servicer) shall instruct the Cash Manager to rectify the same by increasing or reducing payments to such party (including the Noteholders of any Class), as appropriate, on each subsequent Interest Payment Date or Interest Payment Dates to the extent required to correct the same. Where such an adjustment is required to be made, the Issuer will notify Noteholders of the same in accordance with the terms of Condition 15 (*Notices*). For the avoidance of doubt, any such correction shall not constitute an Event of Default and shall not require the consent of the Noteholders or any other party.

Accordingly, Noteholders should be aware that, in such situations, increased or reduced payments may be made.

Additionally, any person purchasing Notes from an existing Noteholder should make due enquiries as to whether such Noteholder has received an incorrect payment. None of the Issuer, the Account Bank, the Agents, the Note Trustee, the Security Trustee, the Seller,

the Servicer, the Subordinated Lender or the Cash Manager will have any liability to any Noteholder for any losses suffered as a result of an adjustment relating to an incorrect payment made before such Noteholder acquired the Notes.

Interest on the Class A Notes

The interest rate payable by the Issuer with respect to the Class A Notes is calculated as the sum of Compounded Daily SONIA and the Relevant Margin (the sum is subject to a floor of zero) as set out in the Conditions. In the event that Compounded Daily SONIA were to fall to a negative rate, the absolute value of which exceeds the Relevant Margin, the holders of the Class A Notes will not receive any interest payments on the Class A Notes.

Insurance

Each Underlying Agreement requires the Obligor to take out and maintain comprehensive vehicle insurance in the Obligor's name. Each Underlying Agreement also provides that, if the Obligor receives any insurance monies under the policy, they agree to assign any such insurance monies to TFSUK. It should be noted that there can be no certainty that such insurance has in fact been taken out or maintained, or that any such insurance monies will be sufficient to repay the outstanding balance of the total amount payable for the Vehicle or will be available to TFSUK, the Issuer or the Security Trustee.

Employees

Some Obligors may be employees of TFSUK. Consequently, they may seek to assert a right of set off against amounts due under the Purchased Receivables in the event of non-payment of wages or any other cash benefits by TFSUK. Any such set-off may adversely affect the Issuer's ability to make payments in full when due on the notes.

2. RISKS RELATING TO THE UNDERLYING AGREEMENTS

Underlying Agreements regulated by the Consumer Credit Act 1974 (as amended)

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

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

(a) TFSUK has to comply with authorisation and permission requirements and the Regulated Underlying Agreements must comply with origination requirements. If they do not comply with those requirements, then the Regulated Underlying Agreement is unenforceable against the Obligor in certain circumstances;

(b) the Obligor has a right to withdraw from the relevant Regulated Underlying Agreement in certain circumstances (refer to paragraph (b) of the section LEGAL AND REGULATORY CONSIDERATIONS – Underlying Agreements regulated by the Consumer Credit Act 1974 (as amended) – "Right to Withdraw" for further details);

(c) an Obligor has a statutory right to terminate the hire purchase part of a Regulated Underlying Agreement and return the Vehicle to TFSUK. In this circumstance, the Obligor must pay to TFSUK all arrears, one half of the total amount owed in respect of the hire purchase part of the Regulated Underlying Agreement to maturity, all other sums due but unpaid under the contract (including any deposit), and all costs relating to the Obligor's failure to take reasonable care of the Vehicle;

(d) if an Obligor exercises its rights to terminate the hire purchase part of a Regulated Underlying Agreement pursuant to sections 99 and 100 of the CCA, it is possible that the Notes may be redeemed earlier than anticipated;

(e) furthermore, if an Obligor terminates the hire purchase part of a Regulated Underlying Agreement pursuant to sections 99 and 100 of the CCA, it is possible that the Issuer will not receive the full amount of the outstanding principal amount on the relevant Purchased Receivable and an amount of principal will accordingly be written-off. This in turn could trigger losses in respect of the Notes;

(f) an Obligor also has a statutory right to early settlement (in part or in full) of the Regulated Underlying Agreement;

(g) TFSUK has the right to terminate a Regulated Underlying Agreement in the event of an unremedied material breach of the Regulated Underlying Agreement by the Obligor;

(h) a disposition of the Vehicle by the Obligor to a bona fide private purchaser without giving that purchaser notice of the Regulated Underlying Agreement will transfer TFSUK's title to the Vehicle to the purchaser;

(i) the court also has a power to give relief to the Obligor, including to give time to the Obligor to pay arrears and remedy any breach;

(j) the court also has the power under the CCA to determine that the relationship between TFSUK and a customer arising out of a credit agreement (whether alone or with any related agreement) is unfair to the customer. If the court makes the determination, then it may make an order in relation to TFSUK, among other things, requiring TFSUK, or any assignee such as the Issuer, to repay any sum paid by the Obligor. Once an Obligor alleges that an unfair relationship exists, the burden of proof is on TFSUK to prove to the contrary;

(k) complaints against authorised persons under FSMA relating to conduct in the course of specified regulated activities (including in relation to consumer credit) can be determined by the Financial Ombudsman Service (an out-of-court dispute resolution scheme);

(l) an Obligor who is a private person may be entitled to claim damages for loss suffered as a result of any contravention of a rule under the FSMA by a person authorised by the FCA. The Obligor may set-off any such damages that are awarded against the amount it owes under a Regulated Underlying Agreement;

(m) the FCA has a broad range of enforcement powers under FSMA, including restitution and customer redress;

(n) TFSUK has to comply with certain post-contractual information requirements under the CCA. Failure to comply with these requirements can have a significant impact on the enforceability of the Regulated Underlying Agreements and TFSUK's ability to recover interest and default fees; and

(o) TFSUK 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, the Underlying Agreement may be unenforceable.

In addition:

(a) under a Regulated Underlying Agreement, where a credit broker (such as a Dealer) carries out antecedent negotiations with an Obligor those negotiations will be deemed to be performed in the capacity of agent of TFSUK (as lender) as well as in his or her actual capacity. As a result TFSUK will be potentially liable for misrepresentations made by a credit broker (such as a Dealer) involved in introducing an Obligor to TFSUK. This liability arises in relation to the Vehicle, and applies for example, to the Dealer's promise to the Obligor 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 Regulated Underlying Agreement, then the Obligor is entitled to, amongst other things, rescind the contract and return the goods, and to treat the contract as repudiated by TFSUK 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 Obligor under the contract and damages such as the cost of hiring an alternative vehicle. The Obligor may set-off the amount of any such money claim against the amount owing by the Obligor under the credit agreement or any other credit agreement he has taken with TFSUK (or exercise analogous rights in Scotland), which may adversely affect the Issuer's ability to make payments in full when due on the Notes. In such events TFSUK would normally have a claim against the Dealer for breach of its operating agreement with TFSUK;

(b) under a Regulated Underlying Agreement, TFSUK may be subject to claims under section 75 of the CCA for any breach of contract or misrepresentation by a supplier. This liability arises in relation to, for example, insurance products where the creditor can be liable to the Obligor for misrepresentation or breach of contract by an insurer (or a dealer on its behalf) in relation to an insurance contract between the insurer and the Obligor and financed by a Regulated Finance Contract. The Obligor may set-off the amount of any such money claim against the amount owing by the Obligor under the credit agreement (or exercise analogous rights in Scotland), which may adversely affect the Issuer's ability to make payments in full when due on the Notes. In such events TFSUK would normally have a claim against the Dealer for breach of its operating agreement with TFSUK;

(c) if any Vehicle becomes "protected" pursuant to the CCA (as to which see "*Underlying Agreements regulated by the Consumer Credit Act 1974 (as amended) – Protected Goods"* below), this could potentially cause delays in recovering amounts due from Obligors and consequently may reduce amounts available to Noteholders;

(d) the Consumer Rights Act 2015 ("**CRA15**") applies in relation to all Underlying Agreements involving consumers entered into on and after 1 October 2015. An Obligor may challenge a term in a consumer contract on the basis that it is "unfair" within the meaning of CRA15 and therefore not binding on the Obligor. The broad and general wording of the CRA15 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 agreements made with consumers may contain unfair terms, which may result in the possible unenforceability of those unfair terms. In addition, there is a requirement under CRA15 for core terms to be transparent and prominent. No assurance is given that (a) changes to the guidance in relation to CRA15 and (b) future changes to CRA15 or the manner in which CRA15 is applied, interpreted or enforced will not have an adverse effect on the Purchased Receivables, TFSUK, the Servicer, the Issuer and their respective businesses and operations; and

(e) there are certain consequences for a breach of the Consumer Protection from Unfair Trading Regulations 2008 (the "**Consumer Protection Regulations**"), which prohibit unfair, aggressive and misleading business-to-consumer commercial practices before, during and after a consumer contract is made. These consequences include liabilities for misrepresentation or breach of contract and/or prosecution of TFSUK. No assurance can be given that any regulatory action or guidance in respect of the Consumer Protection Regulations 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.

For further details on consumer protection laws, how they apply to the Seller and the Purchased Receivables, see the section "*LEGAL AND REGULATORY CONSIDERATIONS*".

Changes to the UK regulatory structure

The FCA is responsible for the consumer credit regime in the UK. The FCA regulates firms in the sector both prudentially and through extensive conduct of business requirements intended to ensure that business across the sector is conducted in a way which advances the interests of all users and participants. HM Treasury oversees the regime and is responsible for the legislative framework. In June 2022 HM Treasury announced its intention to reform the consumer credit regime. It plans to modernise the regime to cut costs for businesses and simplify rules for consumers. In a consultation response published in July 2023, HM Treasury confirmed that the reform will aim to be proportionate, aligned with current and future regulatory frameworks, forward-looking, deliverable and simplified, and that HM Treasury will consult further on the detail of the reforms in 2024. The timetable for reform is likely to be two to three years. It is possible that the actions it takes as regulator, as well as any adverse decision or award made by the Ombudsman (as to which see the section "*LEGAL AND REGULATORY CONSIDERATIONS – Financial Ombudsman Service*") will have an effect on the Underlying Agreements, the Seller, the Issuer and their respective businesses and operations, which may, in turn, affect the Issuer's ability to make payments in full on the Notes when due.

FCA review of the motor finance sector

The FCA has been looking at the motor finance market to develop its understanding of the relevant products and how they are sold, and to assess whether the products cause harm to consumers and if the market is functioning as well as it could. The FCA published its final findings in March 2019. In particular, the FCA found that commission models allowing broker discretion on interest rates have the potential for significant customer harm in terms of higher interest charges. The FCA refers in particular to Increasing Difference in Charges (DiC) and Reducing Difference in Charges commission models, which 'can provide strong incentives' for brokers to arrange finance at higher interest rates. With DiC models, brokers are paid a fee which is linked to the interest rate payable by the customer. The contract between the lender and broker sets a minimum (for Increasing DiC) or maximum (for Decreasing DiC) interest rate and the fee is a proportion of the difference in interest charges between the actual interest rate and the minimum/maximum interest rate. On 15 October 2019, the FCA published a consultation paper (CP 19/28) proposing a ban on motor finance discretionary commission models where the amount of the commission is linked to the interest rate the customer pays and which the dealer or broker has the power to set. This includes Increasing DiC and Reducing DiC models, as well as scaled commission models. Such a prohibition aims to address consumer harm by removing the financial incentive for brokers or dealers to increase a customer's interest rate. The FCA has also prepared draft amendments to its rules and guidance on commission disclosure to customers. The FCA's final rule changes, and new rules introducing a ban on discretionary commission models have applied since January 2021. The effect of the ban was to remove any incentive for brokers to increase the interest rate that a customer pays for their motor finance. There have been a high number of complaints from customers to motor finance firms claiming compensation for commission arrangements prior to the ban. Most complaints are being rejected by motor finance firms on the basis that they have not acted unfairly nor caused loss based on the applicable legal and regulatory requirements. However, in two recent decisions, the Financial Ombudsman Service ("**FOS**") found in favour of the complainants. Similar claims have also been upheld in the County Courts. This is likely to prompt a significant increase in complaints from consumers to firms and the FOS.

The FCA has announced, on 11 January 2024 that it is using its powers under section 166 of FSMA to review historical motor finance commission arrangements and sales across several firms. In its press release accompanying the Section 166 Review announcement, the FCA stated it plans to set out its next steps in Q3 2024. However, on 30 July 2024, the FCA confirmed that it will announce the findings of its investigation and any next steps in May 2025. The FCA is also proposing to extend the pause to the time firms have to issue final responses for motor finance complaints involving a discretionary commission arrangement to 4 December 2025. The FCA also confirmed that it is consulting on extending the requirement that firms must keep customers informed about the pause, and maintain and preserve relevant records and giving consumers until the later of 30 July 2026 or 15 months from the date of their final response letter from the firm, to refer a complaint to the Financial Ombudsman Service (instead of the usual 6 months).

No assurance can be given that changes will not be made to the regulatory regime and developments described above in respect of the vehicle finance market in the United Kingdom generally, the Seller's particular sector in that market or specifically in relation to the Seller, whether arising from the FCA review into the motor finance industry or otherwise. Any such new rules, guidance or other regulatory expectations would need to be implemented or acted upon by firms, which is likely to mean additional compliance measures will need to be introduced. Additionally, this may have a Material Adverse Effect on the Seller, the Issuer and/or the Servicer and their respective businesses and

operations and may in turn adversely affect the Issuer's ability to make payments in full when due on the Notes.

Risks relating to other current and future regulatory developments

Breathing Space Regulations

On 17 November 2020, the Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020 (the "**Breathing Space Regulations**") were made which implemented a new breathing space scheme from 4 May 2021. The scheme allows individuals in England and Wales struggling with problem debt up to an extra 60 days to get their finances under control, while they receive debt advice via professional debt advice providers in order to propose and enter an appropriate debt solution. The scheme also provides for an alternative means to access the protections of a moratorium where individuals are receiving mental health crisis treatment, and in such instances, the protections will be in place for the duration of their crisis treatment. No interest and fees on debts can be charged and almost all enforcement action will be paused during the moratorium period. However, individuals would not be protected from enforcement action on any debts arising from failure to pay ongoing household liabilities, such as rent or mortgage payments.

On 24 December 2020, the Government published guidance to provide support to creditors and debt advisors in understanding the Breathing Space Regulations. On 26 February 2021 the FCA published a policy statement (PS 21/1) outlining changes to the FCA Handbook as a result of the Breathing Space Regulations. The changes amended certain parts of CONC to clarify how the rules will apply where the Breathing Space Regulations also apply.

The breathing space includes almost all personal debts and therefore the Seller is required to implement the requirements of the scheme for customers that meet the eligibility criteria for entry into the scheme, therefore this could result in adverse consequences for Noteholders' investment in the Notes including reduced or delayed payments on the Notes or a reduction in the credit quality or credit rating of the Notes.

On 13 May 2022, HM Treasury published a consultation and draft regulations (the Debt Respite Scheme (Statutory Debt Repayment Plan etc) (England and Wales) Regulations 2022) (the "**Draft DRS Regulations**"). The Draft DRS Regulations would introduce statutory debt repayment plans ("**SDRPs**"), a new form of debt solution complementing the debt respite scheme provided by the Financial Guidance and Claims Act 2018. The aim of an SDRP is to enable a person in problem debt to repay their debts under a single statutory agreement to a manageable timetable (up to ten years), while being protected from creditor action. SDRPs would only be accessible through the debt advice function of a local authority or from private debt advice providers authorised by the FCA. Any debt or liability owed by the debtor when applying for the SDRP would be a "qualifying debt" unless it is a "non-eligible debt". Some types of non-eligible debts are mandatorily excluded from an SDRP, but this is not expected to include motor finance agreements as the scope is likely to be the same as the Breathing Space Regulations. Under the current Draft DRS Regulations, while an SDRP is in effect, creditors would not be entitled to take enforcement steps in respect of a qualifying debt. The Draft DRS Regulations also create "priority debts" which would benefit from a prioritised payment allocation. The current proposal is that this would include hire-purchase payments. If at least 25% by value of creditors object to a provisional SDRP, the Insolvency Service will review whether it is fair and reasonable before making it final. In November 2022, HM Treasury published a consultation response which stated that the government would base further decisions on the future of the SDRP on the outcomes of the government's review of the personal

insolvency framework, noting that no decision on reform has been made. The breathing space moratoria and, if implemented, the SDRPs could result in adverse consequences for Noteholders, including reduced or delayed payments on the Notes or a reduction in the credit quality of the credit rating of the Notes.

In Scotland, eligible individuals are currently afforded similar legal protection as set out above under the Bankruptcy (Scotland) Act 2016 although the moratorium period of 6 months is longer than in England and Wales and does not make any accommodation for mental health crisis. The Scottish Parliament has however passed The Bankruptcy and Diligence (Scotland) Act 2024 which permits regulations to be made for the introduction of a similar form of moratorium in Scotland as currently exists under the Breathing Space Regulations. The timescale for the introduction of the regulations on the proposed moratorium is currently unknown.

Consumer duty

The FCA's new rules and guidance relating to "consumer duty" ("**Consumer Duty**") have applied since 31 July 2023. The Consumer Duty establishes higher expectations for the standard of care that firms provide to retail clients which apply to all retail customers and which includes all customers who are within the scope of CONC.

The Consumer Duty has three key elements: (1) A Consumer Principle, which sets a clear tone and uses language that reflects the overall standards of behaviour the FCA expect from firms; (2) 'Cross-cutting Rules', which develop and clarify the Consumer Principle's overarching expectations of firm conduct and set out how it should apply in practice; and (3) the 'Four outcomes', a suite of rules and guidance that set more detailed expectations for firm conduct in relation to four specific outcomes for the key elements of the firm-customer relationship – Products and Services, Price and Value, Consumer Understanding and Customer Support. It is proposed that the overarching Consumer Principle will be "*a firm must act to deliver good outcomes for retail customers*". The FCA has been clear that it sees the introduction of this Consumer Duty as a paradigm shift in the expectations of firms setting a higher standard than the current Principles for Businesses.

The FCA had also previously said (in Feedback Statement 19/02) that they would consider the potential merits and unintended consequences of introducing a private right of action for breaches of the FCA's Principles, including any new Principles the FCA might propose. Currently, section 138D of FSMA allows the FCA to determine, for each of their rules, whether individuals have a right of action for damages for loss caused by a breach of that rule (subject to some limited exceptions). This right applies to most FCA rules, but does not currently apply for breaches of FCA Principles The FCA have noted that they could allow the right for private persons to bring private action for breaches of FCA Principles, including the Consumer Principle, and the wider Consumer Duty, through an amendment to the FCA Handbook.

The FCA view a private right of action as part of a wider range of mechanisms through which firms are accountable for their breaches of FCA rules, and consumers can access redress. The FCA has stated that, whilst there are potential benefits to a private right of action for a breach of the Consumer Duty Principle, it is not currently intending to provide for a private right of action for breaches of any part of the Consumer Duty (although this will be kept under review).

The implementation of these new rules impose additional compliance and business costs, which may have a Material Adverse Effect on the Servicer and/or the Issuer and their respective businesses and operations, which may in turn adversely affect the Issuer's ability to make payments of interest and/or principal on the Notes.

3. RISKS RELATING TO THE NOTES AND THE STRUCTURE

Equitable Assignment

Assignment by TFSUK to the Issuer of the benefit of the Receivables (and the Ancillary Rights) derived from Underlying Agreements governed by the laws of England and Wales will take effect in equity only because no notice of the assignment will be given to Obligors. The giving of notice to the Obligor of the assignment (whether directly or indirectly) to the Issuer would have the following consequences:

(a) notice to the Obligor would "perfect" the assignment so that the Issuer would take priority over any interest of a later encumbrancer or assignee of TFSUK's rights who has no notice of the assignment to the Issuer;

(b) notice to an Obligor would mean that the Obligor should no longer make payment to TFSUK as creditor under the Underlying Agreement but should make payment instead to the Issuer. If the Obligor were to ignore a notice of assignment and pay TFSUK for its own account, the Obligor might still be liable to the Issuer for the amount of such payment. However, for so long as TFSUK remains the Servicer under the Servicing Agreement, TFSUK also is the agent of the Issuer for the purposes of the collection of the Purchased Receivables and will, accordingly, be accountable to the Issuer for any amount paid to TFSUK in respect of the Purchased Receivables;

(c) notice to the Obligor would prevent TFSUK and the Obligor amending the relevant Underlying Agreement without the involvement of the Issuer. However, TFSUK as Servicer will undertake for the benefit of the Issuer that TFSUK will not waive any breach under, or make any changes or variations to, the Underlying Agreements unless (i) such changes are made in accordance with the terms of the relevant Underlying Agreement and/or the Credit and Collection Procedures and are not a Non-Permitted Variation; or (ii) the Seller and the Issuer have confirmed that the Purchased Receivables to which such Underlying Agreements relate will be repurchased by the Seller; and

(d) lack of notice to the Obligor means that the Issuer will have to join TFSUK as a party to any legal action which the Issuer may want to take against any Obligor. TFSUK as Seller will, however, undertake for the benefit of the Issuer that TFSUK will lend its name to, and take such other steps as may be required by the Issuer or the Security Trustee in relation to any action in respect of the Purchased Receivables and TFSUK grants the Issuer a power of attorney in this regard (the "**Seller Power of Attorney**").

Until notice is given to the Obligor, equitable set-off rights (such as for misrepresentation or breach of contract as referred to in "*LEGAL AND REGULATORY CONSIDERATIONS - Liability for misrepresentations and breach of contract*" below) may accrue in favour of an Obligor in respect of his obligation to make payments under the relevant Underlying Agreement. These may, therefore, result in the Issuer receiving less cash than anticipated from the Purchased Receivables. The assignment of any Receivables to the Issuer will be subject both to any prior equities which have arisen in favour of the Obligor and to any equities which may arise in the Obligor's favour after the assignment until such time (if ever) as he receives actual notice of the assignment. However, where the set-off by an Obligor is connected with an Underlying Agreement (as would be the case for claims in respect of Vehicle defects, including in respect of section 75 of the CCA), the Obligor may exercise a right of set-off (or an analogous right in Scotland), irrespective of any notice given to it of the assignment to the Issuer. The exercise of any such equitable set-off

rights may adversely affect the Issuer's ability to make payments in full when due on the Notes.

Perfection Events have been put in place in the transaction to mitigate the risk deriving from the equitable assignment but there can be no certainty as to the timing and effectiveness of such Perfection Events or any action taken by the Security Trustee or any other party in relation thereto.

No rights in relation to the Vehicles

The ownership of the Vehicles which are the subject of Underlying Agreements which are included in the Portfolio will be retained by TFSUK. The Issuer will have the benefit of an assignment of the Collections which includes the Vehicle Sale Proceeds and, in relation to Vehicle Sale Proceeds arising from the sale of any Vehicles located in Scotland, such Vehicle Sale Proceeds will be subject to a Scottish Declaration of Trust.

The Issuer does not have any right in, over or to the Vehicles that are financed by the Underlying Agreements – it only has rights in connection with the Vehicle Sale Proceeds and as beneficiary under the relevant Scottish Declaration of Trust. Therefore, the Issuer will rely on the Seller fulfilling its contractual undertaking to pay to the Issuer such Vehicle Sale Proceeds. Accordingly, in the event of any insolvency of TFSUK, the Issuer is reliant on any administrator or liquidator of TFSUK taking appropriate steps to sell such Vehicles. Because the Vehicle Sale Proceeds will be transferred to the Issuer, this will be of no value to TFSUK's creditors as a whole and therefore an administrator or liquidator will not have any financial incentive to take such steps, which may adversely impact the timing or amount of collections available to the Issuer to make payments on the Notes. The Issuer has accordingly taken further steps to mitigate this risk by the inclusion of a provision in the Receivables Sale and Purchase Agreement providing that, following the appointment of an Insolvency Official in respect of the Seller, the Issuer will pay to the Seller the Incentive Fee in respect of each related Vehicle resold by the Seller pursuant to the Receivables Sale and Purchase Agreement from and only to the extent of the Vehicle Sale Proceeds, and that in satisfaction of this obligation the Seller will be entitled to retain the Incentive Fee from the Vehicle Sale Proceeds of any related Vehicle. However, there can be no certainty that any administrator or liquidator would take such actions and no contractual obligations on TFSUK to do so that would be enforceable against TFSUK or an administrator or liquidator thereof after the commencement of the administration or liquidation of TFSUK.

Furthermore, in the event of any insolvency (as described above) of TFSUK, TFSUK will no longer be required to repurchase Redelivery Purchased Receivables pursuant to the Redelivery Repurchase Agreement. The realisation proceeds relating to Vehicles which are Redelivery Repurchased Receivables may be lower than the Redelivery Repurchase Price paid by TFSUK under the Redelivery Repurchase Agreement. An inability to recover the full value of such Vehicles could have an impact upon the Issuer's ability to make payments of interest and/or principal payments on the Notes.

As the Issuer will not acquire an ownership interest in the Vehicles themselves, certain third parties may also acquire rights in relation to the Vehicles which could prejudice the collection of the Vehicle Sale Proceeds by the Issuer. Most notably, if a creditor secures a money judgment against TFSUK, a High Court enforcement officer is empowered to seize and sell TFSUK's goods and chattels, in an amount sufficient to satisfy the judgment debt and cost of execution, through a writ of control or its Scottish equivalent. This means that the Vehicles, which remain the property of TFSUK, will be at risk of execution from a judgment creditor, although a third party may apply to the Court to contest the sale. Such creditor enforcement action is not possible (without the leave of court) once administration

or liquidation of TFSUK intervenes, since such action is effectively stayed by the advent of the insolvency proceedings.

Historical information, forecasts, projections and estimates

The historical information set out in particular in "*DESCRIPTION OF THE PORTFOLIO*" is based on the historical experience and present procedure of the Seller. None of the Transaction Parties (other than the Seller, the Servicer, the Subordinated Lender, the Cash Manager and the Interest Determination Agent), the Co-Arrangers or the Joint Lead Managers have undertaken or will undertake any investigation or review of, or search to verify, such historical information. There can be no assurances as to the future performance of the Purchased Receivables or that the future experience and performance of the Purchased Receivables will be similar to the historic performance set out in the section "*PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA - Historical performance data*".

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

Limited data and due diligence on the Portfolio

None of the Co-Arrangers, Joint Lead Managers, the Transaction Parties or any other person has undertaken or will undertake any investigations, searches or other actions to verify the information concerning the Purchased Receivables or to establish the creditworthiness of any Obligor or any other party to the Transaction Documents. Each such person will rely solely on the accuracy of the representations and warranties given by the Seller to the Issuer in the Receivables Sale and Purchase Agreement in respect of, among other things, the Purchased Receivables, the Obligors and the Underlying Agreements. Security over the Issuer's rights under the Purchased Receivables will be granted by the Issuer in favour of the Security Trustee under the Deed of Charge.

To the extent that a Seller Receivables Warranty given by the Seller in respect of a Purchased Receivable proves to have been incorrect on the date on which such Seller Receivables Warranty was made where such breach materially and adversely affects the interests of the Issuer in any Purchased Receivable and, if applicable, the relevant breach cannot be remedied, or if the relevant Purchased Receivable never existed or has ceased to exist such that it is not outstanding as at the Repurchase Date or where a Non-Permitted Variation has been made in respect of the relevant Purchased Receivable (each such affected Receivable being a "**Non-Compliant Receivable**"):

(a) the Seller will be required to repurchase such Receivable on the first Interest Payment Date following such breach by depositing or causing the Servicer to deposit, into the Transaction Account, an amount equal to the Repurchase Price for such Receivable; or

(b) in the case of a Purchased Receivable which never existed, or has ceased to exist, such that it is not outstanding as at the Repurchase Date, the Seller will not be required to repurchase such Purchased Receivable and will instead be required to pay to the Issuer an amount, calculated by the Servicer, equal to the Repurchase Price for such Receivable (the "**Receivables Indemnity Amount**").

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

The Issuer is exposed to the credit risk of the Seller. Should the Seller's credit quality deteriorate and/or should the Seller fail to take appropriate remedial action under the terms of the Receivables Sale and Purchase Agreement, this may have an adverse effect on the value of the Purchased Receivables and on the ability of the Issuer to make payments under the Notes.

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

Following an Event of Default and the service of a Note Acceleration Notice in accordance with Condition 10 (*Events of Default*) the Security will become enforceable. The Note Trustee may, at its discretion, direct the Security Trustee to take action to enforce the Security. The Note Trustee shall not be obliged to enforce (or direct the Security Trustee to enforce) the Security unless directed by the (i) holders of at least 25% in aggregate Outstanding Note Principal Amount of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes; or (ii) following redemption in full of the Notes, at the direction of the Secured Creditors (subject, in each case, to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction). The Note Trustee may also, at its discretion, direct the Security Trustee to take action to enforce the Security although the Security Trustee itself is not required to take any action (including appointing an administrative receiver or other Receiver) unless being indemnified and/or secured and/or prefunded to its satisfaction.

The Note Trustee may at any time, at its discretion and will do so if it has been directed in writing to do so by the holders of at least 25% in aggregate Outstanding Note Principal Amount of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes at the relevant date, without notice and in such manner as it deems appropriate:

(a) take such proceedings and/or other steps as it may deem appropriate against or with respect to the Issuer or any other person to enforce its obligations under the Trust Deed, the Transaction Documents, the Conditions and/or take any other proceedings (including lodging an appeal in any proceedings) with respect to or concerning the Issuer;

(b) exercise any of its rights under, or in connection with the Trust Deed or any other Transaction Document; and/or

(c) give any directions to the Security Trustee under or in connection with any Transaction Document.

However, neither the Note Trustee nor the Security Trustee shall be bound to take any such proceedings, actions or steps unless it has been indemnified and/or secured and/or prefunded to its satisfaction.

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

In addition, Condition 11 (*Enforcement and non-petition*) and clause 8.4 (*Enforcement*) of the Trust Deed limit the ability of the Noteholders to take individual action against the Issuer or any of the Charged Property in any circumstances except where the Note Trustee, having become bound to take action against the Issuer, fails to do so and such failure is continuing. Condition 11 (*Enforcement and non-petition*) prevents the Noteholders from taking or joining in taking steps for the purpose of petitioning for an Insolvency Event in respect of the Issuer.

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

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

Subordination of the Class B Notes

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

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

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

In addition to the above, payments on the Notes are subordinate to payments of certain senior ranking fees, costs and expenses, including those payable as Senior Expenses.

There is no assurance that these subordination rules will protect the holders of Notes from risk of loss.

Ratings of the Class A Notes

The ratings assigned to the Class A Notes by the Rating Agencies take into consideration the structural and legal aspects associated with the Class A Notes, the terms of the Transaction Documents and the underlying Purchased Receivables, the credit quality of the Portfolio as at the Initial Cut-Off Date, the extent to which the Obligors' payments under the Purchased Receivables are sufficient to make the payments required under the Class A Notes as well as other relevant features of the structure, including, *inter alia*, the credit quality of the Account Bank, the Swap Provider and the Servicer. Each Rating

Agency's rating reflects only the view of that Rating Agency. Further events, including events affecting the Account Bank, the Swap Provider and the Servicer, could have an adverse effect on the rating of the Class A Notes.

The ratings assigned to the Class A Notes by Fitch address, among other matters:

(a) the likelihood of full and timely payments due to the holders of the Class A Notes of interest on each Interest Payment Date; and

(b) the likelihood of ultimate payment to the holders of the Class A Notes of principal in relation to the Class A Notes on or prior to the Final Redemption Date.

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

(a) the likelihood of full and timely payments due to the holders of the Class A Notes of interest on each Interest Payment Date; and

(b) the likelihood of ultimate payment to the holders of the Class A Notes of principal in relation to the Class A Notes on or prior to the Final Redemption Date.

At any time, any Rating Agency may revise its relevant rating methodology with the result that, amongst other things, any rating assigned to the Class A Notes may be affected. In order for the Transaction Documents to comply with new rating methodologies, amendments may need to be made to the Transaction Documents and the consent of the Noteholders may, in certain circumstances only, be required to implement such amendments. Noteholders should note that, if the amendments required to comply with such new rating methodologies are not implemented, this may ultimately have an adverse impact on the ratings assigned by the relevant Rating Agency to the Class A Notes.

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

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

In addition, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances. Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating

agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third-country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances.

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

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

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

The rating Fitch has given to the Class A Notes is endorsed by Fitch Ratings Ireland Limited, which is established in the EU and registered under the EU CRA Regulations. The rating S&P has given to the Class A Notes is endorsed by S&P Global Ratings Europe Limited, which is established in the EU and registered under the EU CRA Regulation.

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

Additionally, the UK CRA Regulation and the EU CRA Regulation introduced a requirement that where an issuer or related third parties (which term includes sponsors and originators) intends to solicit a credit rating of a structured finance instrument it should consider appointing at least one rating agency having not more than a 10% total market share (as measured in accordance with Article 8d(3) of the UK CRA Regulation and the EU CRA Regulation (a small CRA), provided that a small CRA is capable of rating the relevant issuance or entity. Where the issuer or a related third party does not appoint at least one credit rating agency with no more than 10% market share, this must be documented. In order to give effect to those provisions of Article 8d of the UK CRA Regulation, the FCA is required to annually publish a list of registered CRAs, their total

market share, and the types of credit rating they issue. The Seller considered the appointment of several CRAs including a CRA having a less than 10% total market share and concluded that the most appropriate CRAs to rate the Class A Notes are Fitch and S&P. As there is no guidance on the requirements for any such documentation there remains some uncertainty whether the Issuer's documentation efforts will be considered sufficient for these purposes and what the consequences of any non-compliance may be for the Issuer, and hence, the investors in the Class A Notes.

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

4. RISKS RELATING TO CHANGES IN THE STRUCTURE AND DOCUMENTS

Meetings of Noteholders, modification and waivers

The Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

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

Pursuant to and in accordance with the detailed provisions of Condition 12(b) (*Amendments and waiver*), the Note Trustee shall be obliged, and shall direct the Security Trustee, without any consent of the Noteholders, to concur with the Issuer in making any modification (other than a Basic Terms Modification) to the Conditions and/or any Transaction Document that the Issuer considers necessary or advisable for the purpose of:

(a) complying with, or implementing or reflecting, any change in criteria of the Rating Agencies;

(b) enabling the Issuer and/or the Swap Provider to comply with any obligation which applies to it under EU EMIR and/or UK EMIR;

(c) complying with any changes in the requirements of (i) Article 6 of the UK Securitisation Regulation or Article 6 of the EU Securitisation Regulation, or Section 15G of the Exchange Act, as added by section 941 of the Dodd-Frank Act, after the Closing Date, including as a result of the adoption of additional regulatory technical standards in relation to the UK Securitisation Regulation or the EU Securitisation Regulation (including the applicable reporting requirements thereunder), (ii) Regulation (EU) 2017/2401 (which amends Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms) and/or Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, and amending Regulation (EU) No 648/2012, as amended, as it forms part of domestic law of the United Kingdom by virtue of the EUWA and any implementing laws or regulations in force in the United Kingdom (together with

applicable directions, secondary legislation, guidance, regulatory technical standards, implementing technical standards and related documents published by the FCA and the PRA of the United Kingdom (the "**UK CRR**") or (iii) any other risk retention legislation or regulations or official guidance in relation thereto;

(d) enabling the Class A Notes to be or remain listed on Euronext Dublin;

(e) enabling the Issuer or any other Transaction Party to comply with FATCA (or any voluntary agreement entered into with a Tax Authority in relation thereto);

(f) enabling the Issuer to open any custody account for the receipt of any collateral posted by the Swap Provider under the Swap Agreement in the form of securities;

(g) opening additional accounts with an additional account bank or moving the Issuer Accounts to be held with an alternative account bank with the Required Ratings;

(h) for so long as the Class A Notes are intended to be held in a manner which will allow for Eurosystem eligibility, maintaining such eligibility;

(i) complying with any changes in the requirements (including, but not limited to, transparency and/or investor due diligence) of and/or enabling the Issuer or the Seller to comply with an obligation in respect of the requirements of the Securitisation Regulations together with any relevant laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements, in each case as amended, varied or substituted from time to time after the Closing Date (including but not limited to: (a) the appointment of a third party to assist with the Issuer's reporting obligations pursuant to the Securitisation Regulations; and (b) any required appointment of a securitisation repository);

(j) complying with any changes in the requirements of the UK CRA Regulation or the EU CRA Regulation; or

(k) changing the benchmark rate on the Class A Notes from SONIA to an Alternative Benchmark Rate (and such other amendments as are necessary or advisable in the reasonable judgment of the Issuer (or the Servicer on its behalf) to facilitate such changes) to the extent (amongst other things) there has been or there is reasonably expected to be a material disruption or cessation to SONIA or in the event that an alternative means of calculating a SONIA based rate of interest is introduced and becomes a standard method of calculating interest for similar transactions (including changing the benchmark rate referred to in any interest rate hedging agreement to align such rate with the proposed change to SONIA in respect of such Class A Notes or other such consequential amendments) or where the Issuer and the Swap Provider agree to apply an alternative fallback (and make alternative adjustments, amendments and payments) in respect of the transaction under the Swap Agreement following the occurrence of a Benchmark Trigger Event thereunder,

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

Each of the Issuer, the Note Trustee and the Security Trustee will rely without further investigation on any certification provided to it in connection with the transaction

amendments and will not be required to monitor or investigate whether the Servicer or any other Transaction Party is acting in a commercially responsible manner or to consider the interests of the Noteholders or any other Secured Creditor, or be liable to any person by acting in accordance with any certification it receives from the Servicer or any other Transaction Party, irrespective of whether any such modification is or may be materially prejudicial to the interests of the Noteholders or any other Secured Creditor.

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

5. COUNTERPARTY RISKS

Conflicts of Interest

Certain parties to the transaction may perform multiple roles, including:

(a) TFSUK, who will act as Seller, Servicer, Subordinated Lender, Cash Manager and Interest Determination Agent;

(b) BofA Securities, who will act as Co-Arranger and Joint Lead Manager;

(c) MUFG Securities EMEA plc, who will act as Co-Arranger and Joint Lead Manager;

(d) Citibank, N.A., London Branch, who (through separate teams) will act as Account Bank, Paying Agent and Registrar; and

(e) CSC Capital Markets UK Limited and CSC Trustees Limited, who (through separate teams) will act as the Corporate Services Provider and Back-Up Facilitator, Note Trustee and Security Trustee.

The terms of the Transaction Documents do not prevent any of the parties to the Transaction Documents from rendering services similar to those provided for in the Transaction Documents to other persons, firms or companies or from carrying on any business similar to or in competition with the business of any of the parties to the Transaction Documents (including for the avoidance of doubt, any other financing or lending arrangements provided by the Joint Lead Managers or Co-Arrangers to any other Transaction Party outside of the Transaction Documents).

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

(a) having previously engaged or in the future engaging in transactions with other parties to the transaction;

(b) having multiple roles in this transaction; and/or

(c) carrying out other transactions for third parties,

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

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

Reliance on third parties

The Issuer is party to contracts with a number of other third parties (including TFSUK as Cash Manager and as Interest Determination Agent) who have agreed to perform services in relation to the Purchased Receivables and the Notes. Accordingly, the ability of the Issuer to meet its obligations under the Notes depends to a large extent upon the ability of the parties to the Transaction Documents (including TFSUK as Cash Manager and as Interest Determination Agent) to perform their contractual obligations.

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

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

Risks relating to the Servicer

The Servicer will be appointed by the Issuer to service the Purchased Receivables and enforce any rights in respect of the Purchased Receivables and the Underlying Agreements. Consequently, the timely payment of amounts due in respect of the Notes and the net cash flows from the Purchased Receivables may be affected by decisions made, actions taken and the collection procedures adopted by, the Servicer. To address this risk, the terms of the Servicing Agreement provide that the Servicer will devote to the performance of its obligations and the exercise of its discretions thereunder and its exercise of the rights of the Issuer in respect of contracts and arrangements giving rise to payment obligations in respect of the Purchased Receivables at least the same amount of time and attention and exercise the level of skill, care and diligence as it would exercise if it were administering receivables in respect of which it held the entire benefit (both legally and beneficially) and, in any event, will devote all due skill, care and diligence to the performance of its obligations and the exercise of its and their discretions and rights under the Servicing Agreement but the Servicer shall not be required to do or cause to be done anything which it is prevented from doing by any applicable laws, regulations, judgments and other directions or orders to which it or any Purchased Receivable or Vehicle may be subject. See "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement*" and "*CREDIT AND COLLECTION PROCEDURES*".

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

In addition, the Seller has undertaken in the Receivables Sale and Purchase Agreement that if it makes any amendments to the Credit and Collection Procedures and to the extent such changes are material and unless such amendment, in the Seller's reasonable opinion (i) could not be expected to impair the collectability or decrease the credit quality of any Purchased Receivable; or (ii) is required to be made to comply with any change in Applicable Law or with any statement, requirement or policy of an Authority, the Seller shall give prior written notice to the Issuer, the Noteholders, the Security Trustee and the Rating Agencies, which notice shall be given without delay.

Upon the occurrence of any Servicer Termination Event, the Issuer (prior to the delivery of a Note Acceleration Notice) with the written consent of the Security Trustee, or the Security Trustee itself (after the delivery of a Note Acceleration Notice) will have the right to remove TFSUK as Servicer (in this regard see further "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement*"). The appointment of TFSUK as Servicer under the Servicing Agreement may be terminated as a result of, among other circumstances, a default by it in performing its obligations under the Servicing Agreement and its insolvency. If the appointment of TFSUK is terminated, the Issuer will use all reasonable endeavours to appoint a replacement Servicer to perform the obligations which TFSUK agrees to provide under the Servicing Agreement (in this regard see further "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement*"). The termination of TFSUK's appointment as Servicer will not become effective until a replacement Servicer has been appointed.

There is no guarantee that a replacement Servicer (as the case may be) providing servicing at the same level as TFSUK can be appointed on a timely basis or at all. Any delay or failure to make such an appointment may have an adverse effect on the Issuer's ability to make payments on the Notes. No assurance can be given that any replacement Servicer will not charge fees in excess of the fees to be paid to TFSUK as Servicer. The payment of fees to the Servicer and any replacement Servicer will rank in priority to amounts paid to Noteholders in accordance with the relevant Priority of Payments and any increase in the level of fees paid to the replacement Servicer would reduce the amounts available to the Issuer to make payments in respect of the Notes.

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

Commingling Risk

TFSUK, as the Servicer, is entitled to commingle funds representing Collections with its own funds during each Calculation Period in accordance with the following procedure:

(a) for so long as a Rating Agency Event or a Servicer Termination Event has not occurred, the Servicer is entitled to commingle funds representing Collections with its own funds and will be required to make a single deposit of such monthly Collections to the Transaction Account on each Interest Payment Date; and

(b) if a Rating Agency Event or a Servicer Termination Event occurs and is continuing, the Servicer shall, within sixty (60) calendar days of such occurrence (the "**Performance Period**"), notify the Issuer in writing that it will elect either (i) to

transfer any Collections to the Transaction Account no later than two (2) Business Days after the date of receipt of such Collections or (ii) to advance to the Issuer (no later than the last day of such Performance Period) such amount or amounts as (taking into account any previous advance which has been made for such purpose, except to the extent that such amount has been repaid or withdrawn in accordance with the terms of the Servicing Agreement) to ensure that the amount standing to the credit of the Commingling Reserve Ledger is equal to the Commingling Reserve Required Amount from time to time. For so long as such Rating Agency Event or such Servicer Termination Event is continuing, the Servicer shall have the right to switch between the above options by written notice to the Issuer.

No assurance can be given that the Commingling Reserve Required Amount will be sufficient to cover commingling risks including the risk of a Servicer Shortfall. This may lead to losses at the level of the Issuer, which could have an impact on the ability of the Issuer to make payments on the Notes ultimately leading to a risk of the Noteholders incurring a loss.

Interest Rate Risk/Risk of Swap Provider Insolvency

Class A Noteholders may be subject to interest rate risk

Payments in respect of the Purchased Receivables made to the Seller by an Obligor under an Underlying Agreement comprise monthly amounts calculated with respect to a fixed interest rate which may be different to Compounded Daily SONIA, which is the rate of interest (plus a margin) payable on the Class A Notes.

The Issuer has entered into the Swap Agreement. The purpose of the Swap Agreement is to mitigate the interest rate risk of the Issuer arising in connection with the issuance of the Class A Notes. The Swap Agreement consists of a 2002 ISDA Master Agreement, the associated schedule, an interest rate swap confirmation and a credit support annex thereunder.

Pursuant to the terms of the swap transaction evidenced by the swap confirmation entered into between the Issuer and the Swap Provider under the Swap Agreement on or around the Closing Date (the "**Swap Transaction**"), in respect of each swap calculation period, (a) an amount (the "**Issuer Swap Amount**") will be calculated as the product of (i) the Swap Notional Amount for such swap calculation period, (ii) a fixed rate (as specified in the Swap Agreement) and (iii) the Fixed Day Count Fraction, and (b) an amount (the "**Swap Provider Swap Amount**") will be calculated as the product of (i) the Swap Notional Amount for such swap calculation period, (ii) Swap SONIA as determined for such swap calculation period and (iii) the Floating Day Count Fraction.

Under the terms of the Swap Transaction, in respect of each swap calculation period for which Swap SONIA is not negative, a payment amount (which can be zero) for the swap payment date corresponding to such swap calculation period will be calculated under the Swap Transaction by reference to the Issuer Swap Amount and the Swap Provider Swap Amount for such period. If the Issuer Swap Amount exceeds the Swap Provider Swap Amount, the Issuer will pay such excess to the Swap Provider (or such excess will be paid to the Swap Provider on the Issuer's behalf), which the Issuer will fund using payments it receives from the Purchased Receivables on each Interest Payment Date. If the Swap Provider Swap Amount exceeds the Issuer Swap Amount, the Swap Provider will pay such excess to the Issuer. If the Swap Provider Swap Amount is equal to the Issuer Swap Amount, neither party will make a payment to the other.

Under the terms of the Swap Transaction, in respect of each swap calculation period for which Swap SONIA is negative, a payment will be due from the Issuer to the Swap Provider on the swap payment date corresponding to such swap calculation period, in an amount equal to (a) the Issuer Swap Amount, plus (b) the absolute value of the Swap Provider Swap Amount, and the Swap Provider would not be required to make any payment to the Issuer on that swap payment date. See "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Swap Agreement*". A decrease in the rate of Swap SONIA will cause a corresponding decrease in related Swap Provider Swap Amounts, and adversely affect payments under the Swap Agreement in relation to the Issuer, either by increasing the amounts payable by the Issuer, or decreasing the amount payable to the Issuer, which could, in either case, result in the Issuer having insufficient amounts available to it to make payments on the Class A Notes.

If the Swap Provider fails to pay any amounts when due under the Swap Agreement, the Collections from Purchased Receivables and the Reserve Fund may be insufficient to make the required payments on the Class A Notes and the Class A Noteholders may experience delays and/or reductions in the interest and (following the end of the Revolving Period) principal payments on the Class A Notes.

Termination of Swap Transaction

Generally, the Swap Transaction under the Swap Agreement may only be terminated early upon the occurrence of certain events of default or termination events set forth in the Swap Agreement.

The Swap Provider may terminate the Swap Transaction under the Swap Agreement if, among other things, (i) the Issuer becomes insolvent, (ii) the Issuer fails to make a payment under the Swap Agreement when due and such failure is not remedied within one Business Day of notice of such failure being given, (iii) performance of the Swap Agreement becomes illegal or a force majeure event occurs, (iv) a Note Acceleration Notice has been served, (v) payments from the Swap Provider are increased or payments to the Swap Provider are reduced for a set period of time due to tax reasons, (vi) all of the Notes then outstanding become subject to redemption as a result of the exercise of optional redemption for tax reasons pursuant to Condition 5(b) (*Optional redemption for taxation reasons*) or the exercise of a Clean-Up Call pursuant to Condition 5(d) (*Clean-Up Call*) or (vii) an amendment is made to the Transaction Documents which affects, *inter alia*, the Swap Provider's rights in relation to any security granted by the Issuer in favour of the Security Trustee or the Swap Provider's rights in respect of the management of and control over the amounts standing to the credit of the Swap Collateral Account without the prior written consent of the Swap Provider.

The Issuer may terminate the Swap Transaction under the Swap Agreement if, among other things, (i) the Swap Provider becomes insolvent, (ii) such Swap Provider fails to make a payment under the Swap Agreement when due and such failure is not remedied within one Business Day of notice of such failure being given, (iii) performance of the Swap Agreement becomes illegal or a force majeure event occurs, (iv) payments to the Issuer are reduced due to tax for a period of time, (v) the Swap Provider fails to comply with the various downgrade requirements of the Rating Agencies, or (vi) the benchmark rate on the Class A Notes is changed and the Alternative Benchmark Rate is different to the benchmark rate under the Swap Agreement. The transaction under the Swap Agreement will terminate upon redemption of the Class A Notes in full.

The Issuer is exposed to the risk that the Swap Provider may become insolvent or may suffer from a ratings downgrade. In the event that the Swap Provider suffers a ratings downgrade and ceases to be an Eligible Swap Provider, the Issuer may terminate the

Swap Transaction under the Swap Agreement if such Swap Provider fails, within a set period of time, to take certain actions intended to mitigate the effects of such downgrade. Such actions could include such Swap Provider collateralising its obligations as a referenced amount calculated in accordance with a credit support annex to the 2002 ISDA Master Agreement, transferring its obligations to a replacement swap provider or procuring a guarantee. However, in the event such Swap Provider is downgraded there can be no assurance that a guarantor or replacement swap provider will be found or that the amount of collateral will be sufficient to meet the Swap Provider's obligations.

Following a termination of the Swap Transaction under the Swap Agreement, the Issuer may not be able to enter into a replacement swap agreement immediately or at all. To the extent a replacement swap agreement is not entered into on a timely basis, the fixed rate payments received from the Receivables may not be sufficient to pay the principal on and interest under the Class A Notes if the interest rates under such Class A Notes increase. Under these circumstances the Purchased Receivables and the Reserve Fund may be insufficient to make the required payments on the Class A Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Class A Notes.

In the event of the insolvency of the Swap Provider, the Issuer will be treated as a general creditor of such Swap Provider and is consequently subject to the credit risk of such Swap Provider. To mitigate this risk, under the terms of the Swap Agreement, the Swap Provider will be obliged to post collateral or take an alternative remedy in accordance with the terms of the Swap Agreement in the event that the relevant ratings of such Swap Provider fall below certain levels (which are set out in the Swap Agreement and described in further detail in the section entitled "*TRIGGERS TABLE – RATING TRIGGERS TABLE*") while the Swap Agreement is outstanding. However, no assurance can be given that sufficient collateral will be available to the Swap Provider such that it is able to post collateral in accordance with the requirements of the Swap Agreement or that the collateral will be posted on time in accordance with the Swap Agreement. If the Swap Provider fails to post sufficient collateral, there is a risk that the Issuer will have insufficient funds to make payments on the Class A Notes.

In the event that the relevant ratings of the Swap Provider are below certain levels (which are set out in the Swap Agreement and described in further detail in the section entitled "*TRIGGERS TABLE – RATING TRIGGERS TABLE*") while the Swap Agreement is outstanding, the Swap Provider will, in accordance with the terms of the Swap Agreement, be required to elect to take certain remedial measures within the applicable time frame stipulated in the Swap Agreement (at its own cost) which may include providing collateral in support of its obligations under the Swap Agreement, arranging for its obligations under the Swap Agreement to be transferred to an entity which is an Eligible Swap Provider, procuring another entity which is an Eligible Swap Provider to become co-obligor or guarantor in respect of the Swap Provider’s obligations under the Swap Agreement, or taking such other action as required to maintain or restore the rating of the Class A Notes. However, no assurance can be given that, at the time that such actions are required, sufficient collateral will be available to the Swap Provider for posting or that another entity which is an Eligible Swap Provider will be available to become a replacement swap provider, co-obligor or guarantor or that the Swap Provider will be able to take the requisite other action. If the remedial measures following a downgrade of the Swap Provider below the level of an Eligible Swap Provider are not taken within the applicable time frames, this will permit the Issuer to terminate the Swap Transaction under the Swap Agreement early.

6. MACROECONOMICS AND MARKET RISKS

General market volatility

Developments such as the UK's departure from the European Union, consumer energy price inflation and disruption to global supply chains, alongside elevated global demand for goods and supply shortages of specific goods have led to recent inflationary pressure and rises in UK interest rates. Continuing inflationary pressure may result in further interest rate increases over time.

Macroeconomic, market and geopolitical conditions globally including in major economies may impact global monetary conditions, investors' confidence and risk appetite, as well as growth prospects and global asset prices. Such factors therefore affect inflation and asset prices across the automobile and car industry as a whole. In addition, global geopolitical tensions, for example around the conflict in Ukraine, Israel, Russia (including any associated embargoes and trade barriers) could impact the UK economy, in particular by further increasing energy and oil prices (and therefore petrol and diesel retail prices) and which could lead to further impacts on supply chains resulting in rising global demand for goods alongside supply shortages of specific goods resulting in inflation, further impacts on the ability to export and import goods and services, and further increases in the cost of living and inflation. Over the longer term, heightened geopolitical tensions and continued broader adoption of protectionist measures could lead to further economic fragmentation, resulting in lower growth potential and higher trend inflation. As the environment gets increasingly complex and downside risks rise, episodes of volatility in financial markets could be more frequent and severe.

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

Adverse macroeconomic and geopolitical developments may have a material negative impact on the performance of the Issuer under the Notes

There are a number of areas of uncertainty in connection with the future of the UK and its relationship with the European Union and it is not currently possible to determine the impact that the UK's departure from the European Union and/or any related matters may have on general economic conditions in the UK, including the performance of the UK automobile market. Further, the ongoing geopolitical developments, including the current uncertainty in the banking sector, the war in Ukraine and the sanctions imposed by the United States, the United Kingdom, the European Union, in particular, against Russia, may result in an adverse impact on global economic, financial, political, social or government conditions which may result or has already resulted in (including but not limited to) limited access to workplaces, and limited availability of key personnel, higher inflation, higher interest rates, higher cost of living, declining access to credit, lower or stagnating wages, increasing unemployment, changes in government regulatory, fiscal or tax policies, including changes in applicable tax rates and the modification of existing or adoption of new tax legislation, sanctions regimes, removal of subsidies, reduced public spending, increases in fuel prices, weakness in energy markets or a loss of consumer confidence. It is also not possible to determine the precise impact that these matters will have on the business of TFSUK (including the performance of the Purchased Receivables), the Transaction Parties and/or any Obligor in respect of the Underlying Agreements, or on the regulatory position of any such entity or of the transactions contemplated by the Transaction Documents under EU regulation or more generally.

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

Prospective investors should also note that the regulatory treatment, including the availability of any preferential regulatory treatment of the Notes, may be affected (as to which see "*RISK FACTORS – Risk Retention and Securitisation Regulation Reporting*").

Absence of secondary market liquidity and market value of the Notes

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

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

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

The market continues to develop in relation to SONIA as a reference rate in the capital markets

Investors should be aware that the market continues to develop in relation to the Sterling Overnight Index Average (SONIA) as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term).

Interest on the Class A Notes which reference a SONIA rate is only capable of being determined at the end of the relevant Observation Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in the Class A Notes to reliably estimate the amount of interest which will be payable on such Notes and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, if the Class A Notes become due and payable under Condition 10 (*Events of Default*), the rate of interest payable shall be determined on the date such Notes became due and payable and shall not be reset thereafter.

In addition, the manner of adoption or application of SONIA reference rates in the sterling denominated public auto loan securitisation markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA reference rates across these markets may impact any hedging or other financial

arrangements which they may put in place in connection with any acquisition, holding or disposal of the Class A Notes.

Furthermore, the definition for the benchmark that is used to calculate interest on the Class A Notes on an Interest Payment Day, "Compounded Daily SONIA", and the definition for the benchmark that is used to calculate floating amounts under the Swap Agreement on a swap payment date, "Swap SONIA", are both compound rates that are calculated by applying compounding to the SONIA daily rate published by the Bank of England on each day during the Interest Period (for the Notes) or the swap calculation period (for the Swap Transaction), that corresponds to the Interest Payment Date or swap payment date, respectively.

Investors should be aware that, while the descriptions of these two benchmarks appear identical, there are some small differences between their methodology and their fallback options. In a situation where, for example, one or more temporary fallbacks were utilised to calculate the rate on the Class A Notes on days when SONIA was unavailable, and the fallback rate on the Class A Notes was higher than the fallback rate on the swap floating amounts on those days, the Swap Transaction would only be partially hedging the Class A Notes, which could result in the Issuer having insufficient amounts available to it to make payments on the Class A Notes.

Changes or uncertainty in respect of SONIA may affect the value and payment of interest under the Class A Notes

Various interest rates and other indices which are deemed to be "benchmarks", including SONIA, are the subject of national, international and other regulatory reforms and proposals for reform, including the UK Benchmark Regulation. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

The EU Benchmark Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the European Union. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed). The UK Benchmark Regulation, among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed). Pursuant to section 20 of the Financial Services Act 2021, the transitional period for third country benchmarks has been extended from 31 December 2022 to 31 December 2025.

The EU Benchmark Regulation and/or the UK Benchmark Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmark Regulation and/or the UK Benchmark Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark; and/or (iii) leading to the disappearance of the benchmark. Any of the above changes, or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Class A Notes.

Based on the foregoing, investors should be aware that:

(a) any of these reforms or pressures described above or any other changes to a relevant interest rate benchmark (including SONIA) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;

(b) while an amendment may be made under Condition 12(b) (*Amendments and waiver*) to change the SONIA rate on the Class A Notes to an alternative base rate under certain circumstances broadly related to SONIA disruption or discontinuation and subject to certain conditions, there can be no assurance that any such amendment will be made or, if made, that it (i) will fully or effectively mitigate all relevant interest rate risks or result in an equivalent methodology for determining the interest rates on the Class A Notes or (ii) will be made prior to any date on which any of the risks described in this risk factor may become relevant;

(c) if SONIA is discontinued or is otherwise unavailable, and whether or not an amendment is made under Condition 12(b) (*Amendments and waiver*) to change the SONIA rate on the Class A Notes as described in paragraph (b) above there can be no assurance that the applicable fall-back provisions under the Swap Agreement would operate to allow the transactions under the Swap Agreement to effectively mitigate interest rate risk in respect of the Class A Notes and may in certain circumstances result in the effective application of a fixed rate based on the rate which applied in the previous period when SONIA was available; and

(d) under the terms of the Swap Transaction, in the event Swap SONIA is negative for any swap calculation period, such that the Swap Provider Swap Amount calculated for the corresponding swap payment date would be negative, the Issuer shall pay an amount on that swap payment date to the Swap Provider equal to the absolute value of the Swap Provider Swap Amount plus the Issuer Swap Amount calculated for the same swap calculation period, as more fully set out in "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – The Swap Agreement" below. A decrease in the rate of Swap SONIA will cause a corresponding decrease in related Swap Provider Swap Amounts, and adversely affect payments under the Swap Agreement in relation to the Issuer, either by increasing the amounts payable by the Issuer, or decreasing the amount payable to the Issuer, which could, in either case, result in the Issuer having insufficient amounts available to it to make payments on the Class A Notes.

Investors should note the various circumstances under which a Benchmark Rate Modification may be made, which are specified in Condition 12(b) (*Amendments and waiver*). As noted above, these events broadly relate to SONIA's disruption or discontinuation, but also include, inter alia, any public statements by the regulatory

supervisor of the administrator of the Applicable Benchmark Rate to that effect, and a Benchmark Rate Modification may also be made if the Issuer (or the Servicer) reasonably expects any of these events to occur. Investors should also note the various options permitted as an Alternative Benchmark Rate as set out in Condition 12(b) (*Amendments and waiver*).

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

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of the Class A Notes in making any investment decision with respect to the Class A Notes.

7. LEGAL RISKS

Security and insolvency considerations in respect of the Issuer

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

The Insolvency Act 1986 allows for the appointment of an administrative receiver in relation to certain transactions in the capital markets. Although there is as yet no case law on how these provisions will be interpreted, it should be applicable to the floating charge created by the Issuer and granted by way of security to the Security Trustee. However, this is partly a question of fact. The Secretary of State may, in any event and by secondary legislation, modify the exceptions to the prohibition on appointing an administrative receiver and/or provide that the exception shall cease to have effect. Were it not to be possible to appoint an administrative receiver in respect of the Issuer, the Issuer would be subject to administration if it became insolvent, which may lead to the ability to realise the Security being delayed and/or the value of the Security being impaired. In particular, it should be noted that significant changes to the UK insolvency regime have been enacted under the Corporate Insolvency and Governance Act 2020 which came into effect on 26 June 2020. The changes include, among other things: (i) the introduction of a new moratorium regime that certain eligible companies can obtain which will prevent creditors taking certain action against the company for a specified period; (ii) a ban on operation of or exercise of "ipso facto clauses" preventing (subject to exemptions) termination, variation or exercise of other rights under a contract due to a counterparty entering into certain insolvency or restructuring procedures; and (iii) a new compromise or arrangement under Part 26A of the Companies Act 2006 (the "**Restructuring Plan**") that provides for ways of imposing a restructuring on creditors and/or shareholders without their consent (so-called cross-class cram-down procedure), subject to certain conditions being met and with a court adjudicating on the fairness of the

restructuring proposal as a whole in determining whether or not to exercise its discretionary power to sanction the Restructuring Plan. While the Issuer is expected to be exempt from the application of the new moratorium regime and the ban on ipso facto clauses, there is no guidance on how the new legislation will be interpreted and the Secretary of State may by regulations modify the exceptions. For the purposes of the Restructuring Plan, it should also be noted that there are currently no exemptions, but the Secretary of State may by regulations provide for exclusion of certain companies providing financial services and the UK government has expressly provided for changes to the Restructuring Plan to be effected through secondary legislation, particularly in relation to the cross-class cram-down procedure. It is therefore possible that aspects of the legislation may change. While the transaction structure is designed to minimise the likelihood of the Issuer becoming insolvent, and/or subject to pre-insolvency restructuring proceedings, no assurance can be given that any modification of the exceptions from the application of the new insolvency reforms referred to above will not be detrimental to the interests of the Noteholders and there can be no assurance that the Issuer will not become insolvent and/or the subject of insolvency or pre-insolvency restructuring proceedings and/or that the Noteholders would not be adversely affected by the application of insolvency laws (including English and, if applicable, Scottish insolvency laws or the laws affecting the creditors' rights generally).

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

Insolvency proceedings and subordination provisions

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

The English Supreme Court has held that a flip clause as described above is valid under English law. Contrary to this, however, the United States Bankruptcy Court has held that such a subordination provision is unenforceable under US bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a United States bankruptcy of the counterparty. The implications of this conflict remain unresolved.

If a creditor of the Issuer or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the United States), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English law governed Transaction Documents. In particular, based on the decision of the United States Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under United States bankruptcy laws. Such laws may be relevant in certain circumstances with respect to a range of entities, including United States established entities and certain non-United States established entities with assets or operations in the U.S. (although the scope of any such proceedings may be limited if the relevant non-United States entity is a bank with a licensed branch in a state of the United States). In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order was recognised by the English courts, there can be no assurance that such actions would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Lastly, given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents will include terms providing for the subordination of the payments due to certain parties in certain circumstances post-enforcement, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may result in negative rating pressure in respect of the Notes. If any rating assigned to the Notes is lowered, the market value of the Notes may reduce.

Fixed charges may take effect under English law as floating charges

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

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

The interest of the Secured Creditors in property and assets over which there is a floating charge will rank behind the expenses of any administrator or liquidator and the claims of certain preferential creditors on enforcement of the Security. Section 251 of the Enterprise Act 2002 abolishes Crown Preference in relation to all insolvencies (and thus reduces the categories of preferential debts that are to be paid in priority to debts due to the holder of a floating charge) but Section 176A of the Insolvency Act 1986 requires a "prescribed part" (up to a maximum of £800,000) of the floating charge realisations available for distribution to be set aside to satisfy the claims of unsecured creditors'. In addition, HMRC has preferential status as a secondary preferential creditor in respect of certain taxes (e.g. VAT, PAYE, employee NICs, student loan deductions and construction industry scheme deductions). This means that the expenses of any administration, the claims of preferential creditors and the beneficiaries of the prescribed part will be paid out of the

proceeds of enforcement of the floating charge ahead of amounts due to Noteholders. The prescribed part will not be relevant to property subject to a valid fixed security interest or to a situation in which there are no unsecured creditors. If any claims have priority over the claims of the Security Trustee in respect of the floating charge assets, this could adversely affect Noteholders.

Scottish Receivables

Certain of the Underlying Agreements have been entered into with Obligors who are located in Scotland and certain of the Vehicles financed pursuant to the Underlying Agreements are located in Scotland.

If a Scottish court were to declare that an Underlying Agreement was governed by Scots law (a "**Scottish Underlying Agreement**"), the Scots court may declare that such Scottish Underlying Agreement had always been governed by Scots law, and that such Scottish Underlying Agreement should therefore be interpreted as a matter of Scots law. There is therefore a risk that the transfer under English law of Receivables derived from such Scottish Underlying Agreements ("**Scottish Receivables**") sold by TFSUK in its capacity as Seller to the Issuer may not be considered to be a valid transfer by the Scots courts.

To mitigate this risk, TFSUK will declare trusts (each a "**Scottish Trust**") in favour of the Issuer over the Scottish Receivables and the Vehicles relating thereto and the Issuer will be the beneficiary under each Scottish Trust. To the extent a Scottish court considers the Underlying Agreement to be governed by Scots law, legal title to the relevant Scottish Receivable will remain with TFSUK because no formal assignation of the Scottish Receivable duly intimated to the relevant Obligor(s) will have been made. The legal position of the Issuer under each Scottish Trust is substantially in accordance with that set out above in relation to the holding of an equitable interest in the Purchased Receivables governed by the laws of England and Wales.

The fixed charge granted by the Issuer in favour of the Security Trustee over the Issuer's assets provides for, among other things, an Assignation in Security of the Issuer's interest in the Scottish Trusts.

Liquidation expenses

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

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

Taxation

Neither the Issuer nor any other person will be obliged to pay any additional amounts to Noteholders or to otherwise compensate Noteholders in the event that the payments on the Notes become subject to any withholding or deduction for or on account of Taxes. See "*TAXATION*". If such withholding or deduction is required to be made, the Issuer will have the option (but not the obligation) of redeeming all outstanding Notes in full at their Outstanding Note Principal Amounts (together with accrued interest). For the avoidance of doubt, neither the Note Trustee nor the Noteholders will have the right to require the Issuer to redeem the Notes in these circumstances. See Condition 5(b) (*Optional Redemption for Taxation Reasons).*

UK Taxation Position of the Issuer

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

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

Prospective Noteholders should note that if the Issuer does not fall to be taxed under the regime provided for by the TSC Regulations then its profits or losses for tax purposes might be different from the cash profit retained by it in accordance with the Transaction Documents. Any unforeseen taxable profits in the Issuer could have an adverse effect on its ability to make payments to the Noteholders.

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 (the "**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 was 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 conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

Under the Commission's proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply 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 conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's proposal. 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 and/or principal than expected. To the extent that such liabilities may arise at a

time when winding up proceedings have been commenced in respect of the Issuer, such liabilities may be regarded as an expense of the liquidation and, as such, be payable out of the floating charge assets of the Issuer (and its general estate) in priority to the claims of Noteholders and other secured creditors. 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) if the conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's proposal. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

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

8. REGULATORY RISKS

Regulatory initiatives and reforms may have an adverse impact on the regulatory treatment of the Notes 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 multiple measures for increased regulation which are at various stages of implementation and which may have an adverse impact on the regulatory position of certain investors in securitisation exposures and/or on the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and should consult their own advisers in this respect. None of the Issuer, the Seller, the Co-Arrangers, the Joint Lead Managers nor any other party to the Transaction Documents makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory treatment of their investment on the Closing Date, or at any time in the future. Any changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

Basel Capital Accord and regulatory capital requirements

Investors should note that the Basel Committee on Banking Supervision (the "**BCBS**") has approved a series of significant changes to the Basel framework for prudential regulation (such changes being referred to by the BCBS as Basel III, and referred to, colloquially, as Basel III in respect of reforms finalised prior to 7 December 2017 and Basel IV in respect of reforms finalised on or following that date). The Basel III reforms have now been incorporated into EU law (which will apply in stages, the latest of which will apply from 2025). Some but not all of this EU law has been implemented in the UK. The UK authorities have stated that they intend to amend UK regulation to implement the remaining Basel III and Basel IV standards. The BCBS continues to work on new policy initiatives.

The European Commission adopted legislative proposals in October 2021 for a regulation and a directive to implement the Basel IV standards by way of an amendment to Regulation (EU) 2019/876 (such updated regulation referred to below as "**CRR III**") and an amendment to Directive 2019/878 (such updated directive referred to below as the "**CRD VI**"). The CRR III will apply, in large part, from 1 January 2025, subject to a transitional implementation of the output floor. Measures implementing the CRD VI are expected to be adopted 18 months from the date of its entry into force.

In the UK, the PRA announced its intention to move the implementation date of the Basel IV standards to 1 July 2025, with a corresponding transitional implementation of the output floor. On 12 December 2023 the PRA published a policy statement containing near-final standards implementing some of the Basel IV standards (including market risk, credit valuation adjustment and operational risk). In Q2 2024, the PRA intends to publish the second policy statement containing near-final standards for the remaining standards (including credit risk, credit risk mitigation and the output floor).

There is expected to be regulatory divergence between the EU and the UK as a result of these measures, including capital requirements relating to the holding of securitisation positions.

The implementation of the Basel III and Basel IV reforms may result in increased regulatory capital and/or other prudential requirements in respect of securitisation positions (including, but not limited to, the imposition of the output floor for banks using internal models). These prudential requirements may also impact the eligibility of the Notes as liquid assets for the liquidity coverage ratio and the net stable funding ratio. It should also be noted that changes to prudential requirements may be made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe and the UK. In particular, it is noted that the UK authorities have announced that the Solvency II framework in the UK will be reformed and that the EU Commission has announced a legislative proposal to amend the Solvency II Directive as it applies in the EU, and a legislative proposal for a new Insurance Recovery and Resolution Directive, each of which is subject to review by the European Parliament and the Council. In connection with the reform of the UK Solvency II framework, the PRA published a policy statement on 28 February 2024 for the review of the Solvency II regime to make it more adaptable to the UK insurance market. Prospective investors should therefore make themselves aware of the 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. Investors in the Notes are responsible for analysing their own regulatory position and prudential regulation treatment applicable to the Notes and should consult their own advisers in this respect. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

In addition, Regulation (EU) No 2015/61 of 10 October 2014 (the "**EU LCR Regulation**" and, as onshored in the UK by virtue of EUWA, the "**UK LCR Regulation**" and, together, the "**LCR Regulations**") sets out assumed asset inflow and outflow rates to better reflect actual experience in times of stress. On 19 November 2018, Delegated Regulation (EU) 2018/1620 amending the EU LCR Regulation (the "**Delegated EU LCR Regulation**" and, as onshored in the UK by virtue of EUWA, the "**Delegated UK LCR Regulation**" and, together the "**Delegated LCR Regulations**") entered into force which amended, among other things, the exposure values of securitisations and their eligibility to qualify as Level 2B high quality liquid assets. The Delegated LCR Regulations apply in the EU and the UK from 30 April 2020 (and apply in the UK by virtue of EUWA). The application of the Delegated LCR Regulations may have negative implications on the cost of regulatory capital for certain investors and their ability to use securitisation positions as high quality liquid assets for their liquidity coverage ratio. Therefore, investors should consult their own advisers as to the regulatory capital treatment requirements in respect of the Notes and as to the consequences to and effect on them by the Delegated LCR Regulations. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Securitisation Regulations

The EU Securitisation Regulation commenced application in general (subject to certain grandfathering) from 1 January 2019 and, from 9 April 2021, the EU Securitisation Regulation applies as amended by Regulation (EU) 2021/557. However, some legislative measures necessary for the full implementation of the new regime have not yet been finalised and compliance with certain requirements is subject to the application of transitional provisions. In addition, further amendments are expected to be introduced to the EU Securitisation Regulation regime as a result of the wider review on which, under Article 46 of the EU Securitisation Regulation, the European Commission published a report on 10 October 2022 outlining a number of areas where legislative changes may be introduced in due course, which was followed in December 2023 by the consultation of the European Securities and Markets Authority on the possible options for introducing reforms to the EU reporting regimes.

The EU Securitisation Regulation establishes certain common rules for all securitisations that fall within its scope (including a recast of pre-1 January 2019 risk retention and investor due diligence regimes). The EU Securitisation Regulation has direct effect in member states of the EU and it will apply more broadly in the EEA, including Iceland, Norway and Liechtenstein.

The UK Securitisation Regulation commenced application in the UK at 11 p.m. on 31 December 2020. The UK Securitisation Regulation largely mirrors (with some amendments) the EU Securitisation Regulation as it applied in the EU at the end of 2020 (meaning that the amendments that took effect in the EU from 9 April 2021 are not part of the UK regime). The currently applicable UK Securitisation Regulation regime will be revoked and replaced in due course with a new recast regime as a result of the ongoing legislative reforms introduced under the "Edinburgh Reforms" of the UK financial services unveiled on 9 December 2022 and the UK post-Brexit move to "A Smarter Regulatory Framework for Financial Services", the Financial Services and Markets Act 2020 regime, as amended by the Financial Services and Markets Act 2023 ("**FSMA**") and related thereto (i) the Securitisation Regulations 2024 (SI 2024/102) made on 29 January 2024 (the "**2024 UK SR SI**"); as well as (ii) the PRA and the FCA consultations published in the summer of 2023, including the FCA consultation addendum of October 2023 (the "**PRA/FCA 2023 Consultations**") on the exercise of their rulemaking powers and the draft amendments to their rulebooks which (together with the 2023 and 2024 UK SR SI) recast (with various changes that result in further divergence from the EU Securitisation Regulation) currently applicable UK Securitisation Regulation requirements. The 2024 UK SR SI provides that upon the repeal of the current UK Securitisation Regulation pursuant to FSMA 2023, the securitisation regulatory framework of the UK will be moved to a combination of 2024 UK SR SI and the PRA and FCA rulebooks. On 30 April 2024, a policy statement by the FCA (PS24/4): Rules relating to securitisation and a policy statement made by the PRA (PS7/24): Securitisation: General requirements (together, the "**UK Regulatory Rules**") were published. The UK Regulatory Rules have an implementation date of 1 November 2024 (6 months after the date of publication). Under the transitional provisions contained therein, the UK Regulatory Rules will not apply to securitisation transactions which close before 1 November 2024. The implementation date of the UK Regulatory Rules is in line with the draft Securitisation (Amendment) Regulations 2024 laid before both Houses of Parliament on 22 April 2024 which contemplates the repeal of the UK Securitisation Regulation commencing on 1 November 2024.

Note that these reforms will impact on new securitisations closed after the relevant date of application and they also have potential implications for securitisations in-scope of the UK Securitisation Regulation that closed prior to such date. Please note that some divergence between EU and UK regimes exists already. Whilst the UK Securitisation Regulation reforms propose some alignment with the EU regime, these reforms also

introduce new points of divergence and the risk of further divergence between EU and UK regimes cannot be ruled out in the longer term as it is not known at this stage how the ongoing reforms or any future reforms will be finalised and implemented in the UK or the EU.

Certain European-regulated institutional investors or UK-regulated institutional investors which include credit institutions, investment firms, authorised alternative investment fund managers, insurance and reinsurance undertakings, certain undertakings for the collective investment of transferable securities ("**UCITs**") and certain regulated pension funds (institutions for occupational retirement provision), must comply under Article 5 of the EU Securitisation Regulation or Article 5 of the UK Securitisation Regulation (as applicable) with certain due diligence requirements prior to holding a securitisation position and on an ongoing basis while holding the position. Among other things, prior to holding a securitisation position, such institutional investors are required to verify under their respective EU or UK regime certain matters with respect to compliance of the relevant transaction parties with credit granting standards, risk retention and transparency requirements. If the relevant European or UK regulated institutional investor elects to acquire or holds the Notes having failed to comply with one or more of these requirements, this may result in the imposition of a penal capital charge on the Notes for institutional investors subject to regulatory capital requirements or a requirement to take a corrective action, in the case of certain types of regulated fund investor. Aspects of the requirements of the EU Securitisation Regulation and the UK Securitisation Regulation and what is or will be required to demonstrate compliance to national regulators remain unclear. Prospective investors should therefore make themselves aware of the requirements applicable to them and are required to independently assess and determine the sufficiency of the information described in this Prospectus generally for the purposes of complying with such due diligence requirements under the EU Securitisation Regulation and any corresponding national measures which may be relevant or the UK Securitisation Regulation, as applicable. There can be no assurance that the information in this Prospectus or any information to be made available to investors will be adequate for any prospective institutional investors to comply with the due diligence obligations applicable under the EU Securitisation Regulation and UK Securitisation Regulation. None of the Issuer or any of the other parties to the Transaction Documents makes any representation that any information described above or elsewhere in this Prospectus is sufficient in all circumstances for such due diligence requirements.

Note that under the proposed reforms to the UK Securitisation Regulation mentioned above, the recast of the investor due diligence provisions will result in a more fragmented implementation of such requirements such that different type of UK institutional investors (depending on how and by which UK regulators they are authorised or supervised) will need to refer to either the provisions on investor due diligence in the 2024 UK SR SI, or such provisions in the PRA Rulebook or the FCA Handbook. While the recast of the requirements (which broadly builds on the existing requirements under Article 5 but with some material divergence from the EU Article 5 requirements, in particular around due diligence on transparency and the delegation of the investment decision to another investor) is fragmented, it is intended to ensure coherence of the overall framework. However, the final position is yet to be confirmed.

Various parties to the securitisation transaction described in this Prospectus (including TFSUK (as the originator) and the Issuer) are also subject to the requirements of the UK Securitisation Regulation. In addition, various parties to the securitisation described in this Prospectus (including TFSUK (as the originator) and the Issuer) have contractually elected and agreed to comply with the requirements of the EU Securitisation Regulation relating to the risk retention, transparency and reporting. However, some uncertainty remains in relation to the interpretation of some of these requirements, which could

adversely impact the ability of such parties to comply with their obligations under the Transaction Documents. There is also uncertainty in relation to what is or will be required to demonstrate compliance to the relevant regulators, including in particular with regard to the transparency obligations imposed under Article 7 of the UK Securitisation Regulation and the EU Securitisation Regulation. Also, although, as at the date of this Prospectus, the UK Article 7 Technical Standards largely mirror the EU Article 7 Technical Standards, prospective investors should note that future divergence between the EU and UK regimes cannot be ruled out. See section entitled "*RISK RETENTION AND SECURITISATION REGULATION REPORTING"* below. Prospective investors in the Notes are responsible for analysing their own regulatory position, and should consult their own advisers in this respect. Prospective investors are referred to the sections entitled "*CERTAIN REGULATORY REQUIREMENTS*" and "*GENERAL INFORMATION*" for further details and should note that there can be no assurance that undertakings relating to compliance with the UK Securitisation Regulation or the EU Securitisation Regulation, the information in this Prospectus or information to be made available to investors in accordance with such undertakings will be adequate for any prospective institutional investors to comply with their due diligence obligations under the EU Securitisation Regulation or the UK Securitisation Regulation.

Non-compliance with the UK Securitisation Regulation and/or the EU Securitisation Regulation could adversely affect the regulatory treatment of the Notes and the market value and/or liquidity of the Notes in the secondary market.

With respect to TFSUK's commitment to retain a material net economic interest in the securitisation, please see the statements set out in the section entitled "*RISK RETENTION AND SECURITISATION REGULATION REPORTING*" below.

Simple, transparent and standardised securitisations

The UK Securitisation Regulation makes provision for a securitisation transaction to be designated a simple, transparent and standardised transaction (a "**UK STS Securitisation**"). In order to obtain this designation, a transaction is required to comply with the requirements set out in Articles 20, 21 and 22 of the UK Securitisation Regulation (the "**UK STS Criteria**") and one of the originator or sponsor in relation to such transaction is required to file a UK STS Notification to the FCA confirming the compliance of the relevant transaction with the UK STS Criteria.

The EU Securitisation Regulation makes provision for a securitisation transaction to be designated a simple, transparent and standardised transaction (an "**EU STS Securitisation**"). In order to obtain this designation, a transaction is required to comply with the requirements set out in Articles 20, 21 and 22 of the EU Securitisation Regulation (the "**EU STS Criteria**") and one of the originator or sponsor in relation to such transaction is required to file a EU STS Notification to ESMA confirming the compliance of the relevant transaction with the EU STS Criteria. As at the Closing Date, the originator is not established in the EU and so the transaction will not qualify as an EU STS Securitisation on the basis that the requirements of Article 18 of the EU Securitisation Regulation are not fulfilled. No EU STS Notification will be filed in relation to the Notes as at the Closing Date and there is no intention that such a notification will be filed at any point during the life of the Notes. The Notes will not be eligible as high quality liquid assets for the purposes of the liquidity coverage ratio as it applies in the EU from such date.

Although the transaction has been structured to comply with the requirements for simple, transparent and standardised securitisations as set out in Articles 20, 21 and 22 of the UK Securitisation Regulation and will be certified as such by Prime Collateralised Securities

Limited ("**PCS**"), in its capacity as third party verification agent authorised pursuant to Article 28 of the UK Securitisation Regulation, no guarantee can be given that it maintains this status throughout its lifetime. Noteholders and potential investors should verify the current status of the transaction on the FCA's register of STS notifications. Non-compliance with such status may result in higher capital requirements for investors as an investment in the Notes would not benefit from Articles 243, 260, 262 and 264 of the UK CRR. Furthermore, non-compliance could result in various administrative sanctions and/or remedial measures being imposed on the Issuer which may be payable or reimbursable by the Issuer.

TFSUK and the Issuer have used the services of PCS, a third party authorised pursuant to Article 28 of the UK Securitisation Regulation, to verify whether the securitisation transaction described in this Prospectus complies with Articles 19 to 22 of the UK Securitisation Regulation and the compliance with such requirements has been verified by PCS and to prepare an assessment of compliance of the Notes with Article 243 of the CRR and Article 13 of the LCR Regulation (together with the STS Verification the "**STS Assessments**"). It is expected that the STS Assessments prepared by PCS will be available on the PCS website (https://pcsmarket.org/sts-verificationtransactions/) together with a detailed explanation of its scope (https://www.pcsmarket.org/disclaimer). For the avoidance of doubt, this PCS website and the contents thereof do not form part of this Prospectus.

However, none of the Issuer, TFSUK (in any of its capacities), the Co-Arrangers, the Joint Lead Managers nor the Swap Provider gives any explicit or implicit representation or warranty as to (i) inclusion in the list administered by the FCA within the meaning of Article 27 of the UK Securitisation Regulation, (ii) that the securitisation transaction described in this Prospectus does or continues to comply with the UK Securitisation Regulation, (iii) that this securitisation transaction does or continues to be recognised or designated as 'STS' or 'simple, transparent and standardised' within the meaning of Article 18 of the UK Securitisation Regulation after the date of this Prospectus.

The verification by PCS does not affect the liability of TFSUK (as originator) and the Issuer (as SSPE) in respect of their legal obligations under the UK Securitisation Regulation. Furthermore, the use of such verification by PCS shall not affect the obligations imposed on institutional investors as set out in Article 5 of the UK Securitisation Regulation. Notwithstanding PCS' verification of compliance of a securitisation with Articles 19 to 22 of the UK Securitisation Regulation, such verification by PCS does not ensure the compliance of a securitisation with the general requirements of the UK Securitisation Regulation. A verification does not remove the obligation placed on investors to assess whether a securitisation labelled as 'STS' or 'simple, transparent and standardised' has actually satisfied the criteria. Investors must not solely or mechanistically rely on any UK STS notification or PCS' verification to this extent.

Prospective investors should carefully consider (and, where appropriate, take independent advice) in relation to the capital charges associated with an investment in the Notes. In particular, investors should carefully consider the effects of the change (and likely increase) to the capital charges associated with an investment in the Notes for credit institutions and investment firms, depending on the particular exposure. These effects may include, but are not limited to, a decrease in demand for the Notes in the secondary market, which may lead to a decreased price for the Notes. It may also lead to decreased liquidity and increased volatility in the secondary market.

U.S. Risk Retention

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

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

Prior to any Notes which are offered and sold by the Issuer being purchased by, or for the account or benefit of, any Risk Retention U.S. Person, the purchaser of such Notes must first disclose to the Co-Arrangers and the Joint Lead Managers that it is a Risk Retention U.S. Person and obtain the written consent of the Seller in the form of a U.S. Risk Retention Waiver. Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is similar to, but not identical to, the definition of "U.S. person" in Regulation S and that persons who are not "U.S. persons" under Regulation S may be "U.S. persons" under the U.S. Risk Retention Rules.

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

(a) Any natural person resident in the United States;

(b) Any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any State or of the United States;[1]

(c) Any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);

(d) Any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);

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

(e) Any agency or branch of a foreign entity located in the United States;

(f) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);

(g) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and

(h) Any partnership, corporation, limited liability company, or other organisation or entity if:

(i) Organised or incorporated under the laws of any foreign jurisdiction; and

(j) Formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act.[2]

Each holder of a Note or a beneficial interest therein acquired on the Closing Date, by its acquisition of a Note or a beneficial interest therein, will be deemed to represent to the Issuer, the Seller, the Co-Arrangers and the Joint Lead Managers that it (1) either (i) is not a Risk Retention U.S. Person or (ii) it has obtained a U.S. Risk Retention Waiver from the Seller, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules described herein). Any Risk Retention U.S. Person wishing to purchase Notes must inform the Seller and the Joint Lead Managers that it is a Risk Retention U.S. Person.

There can be no assurance that the requirement to request the Seller to give its prior written consent to any Notes which are offered and sold by the Issuer being purchased by, or for the account or benefit of, any Risk Retention U.S. Person will be complied with or will be made by such Risk Retention U.S. Persons.

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

None of TFSUK, the Co-Arrangers, the Joint Lead Managers or any of their respective affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Prospectus comply as a matter of fact with the U.S. Risk Retention Rules on the Closing Date or at any time in the future. Prospective investors should consult their own advisors as to the U.S. Risk Retention

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

Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Impact of UK EMIR and EU EMIR

UK EMIR and EU EMIR (each as amended from time to time) prescribe a number of regulatory requirements for counterparties to derivatives contracts including (i) a mandatory clearing obligation for certain classes of OTC derivatives contracts (the "**Clearing Obligation**"); (ii) collateral exchange, daily valuation and other risk mitigation requirements for OTC derivatives contracts not subject to clearing (the "**Risk Mitigation Requirements**"); and (iii) certain reporting requirements. In general, the application of such regulatory requirements in respect of the Swap Agreement will depend on the classification of the counterparties to such derivative transactions.

Pursuant to UK EMIR and EU EMIR, counterparties can be classified as: (i) financial counterparties ("**FCs**") (which includes a sub-category of small FCs ("**SFCs**")), and (ii) non-financial counterparties ("**NFCs**"). The category of "NFC" is further split into: (i) non-financial counterparties above the "clearing threshold" ("**NFC+s**"), and (ii) non-financial counterparties below the "clearing threshold" ("**NFC-s**"). Whereas FCs and NFC+ entities may be subject to the relevant Clearing Obligation or, to the extent that the relevant interest rate caps are not subject to clearing, to the relevant collateral exchange obligation and the relevant daily valuation obligation under the Risk Mitigation Requirements, such obligations do not apply in respect of NFC- entities.

The Issuer is currently an NFC- for the purposes of UK EMIR and a third country equivalent to an NFC- (a "**TCE NFC-**") for the purposes of EU EMIR, although a change in its position cannot be ruled out. Should the status of the Issuer change to an NFC+ or FC for the purposes of UK EMIR and/or a third country equivalent to a FC or NFC+ (a "**TCE FC**" or a "**TCE NFC+**", respectively) for the purposes of EU EMIR, this may result in the application of the relevant Clearing Obligation or (more likely) the relevant collateral exchange obligation and relevant daily valuation obligation under the Risk Mitigation Requirements, as it seems unlikely that any of the interest rate swap agreements would be a relevant type of OTC derivative contract that would be subject to the Clearing Obligation under UK EMIR and EU EMIR to date. It should also be noted that the collateral exchange obligation should not apply in respect of the Swap Agreement where such agreement is entered into prior to the relevant application date, unless such an interest rate swap is materially amended on or after that date.

Prospective investors should note that there is some uncertainty with respect to the ability of the Issuer to comply with either the Clearing Obligation or the collateral exchange obligation were they to be applicable, which may (i) lead to regulatory sanctions, (ii) adversely affect the ability of the Issuer to continue to be party to the Swap Agreement (possibly resulting in an amendment to or termination of the Swap Transaction) or to enter into replacement swap agreements and/or (iii) significantly increase the cost of its Swap Transaction, thereby negatively affecting the ability of the Issuer to hedge certain risks. As a result, the amounts available to the Issuer to meet its obligations may be reduced, which may in turn result in investors receiving less interest or principal than expected.

The European Parliament and Council of the EU reached provisional political agreement on 7 February 2024 in relation to regulations amending EU EMIR ("**EU EMIR 3.0**"). EU EMIR 3.0 is yet to be published in the Official Journal and, therefore, is not yet effective. Provisions of EU EMIR (including the calculation of the "clearing threshold" for NFCs) will be affected by EU EMIR 3.0. Non-EU counterparties (such as the Issuer) may be affected indirectly by EU EMIR 3.0 if they were to enter into derivatives transactions with EU entities. The precise impact of EU EMIR 3.0 on the Issuer's classification and/or

regulatory burden cannot be assessed until the relevant secondary legislation developed by the ESMA is in force (which is not currently expected to be until at least 2025). Provisions of UK EMIR may also be impacted due to reforms although the scope of any such reforms is not confirmed and it is not certain whether any changes to UK EMIR will be similar to EU EMIR 3.0. Accordingly, divergences between UK EMIR and EU EMIR rules may arise and the impact of any such future divergence is not certain at this stage.

9. RISKS RELATING TO THE CHARACTERISTICS OF THE NOTES

Eurosystem Eligibility

The Notes are not currently Eurosystem eligible. However, the Class A Notes are intended to be held in a manner which would allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as Common Safekeeper, but does not necessarily mean that the Class A Notes in the future will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem ("**Eurosystem eligible collateral**") at any or all times during their life. Such recognition will depend upon such satisfaction of all of the other Eurosystem eligibility criteria. It is expected that the Class B Notes will not satisfy the Eurosystem eligibility criteria. The Issuer gives no representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will at any time in the future satisfy all or any of the requirements for Eurosystem eligibility and be recognised as Eurosystem eligible collateral. Any potential investor in the Class A Notes should make their own conclusions and seek their own advice with respect to whether or not the Class A Notes constitute Eurosystem eligible collateral for the purposes of any of the central bank liquidity schemes, including whether and how such eligibility may be impacted by the UK withdrawal from the EU and the UK no longer being part of the EEA.

Bank of England Eligibility

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

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

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

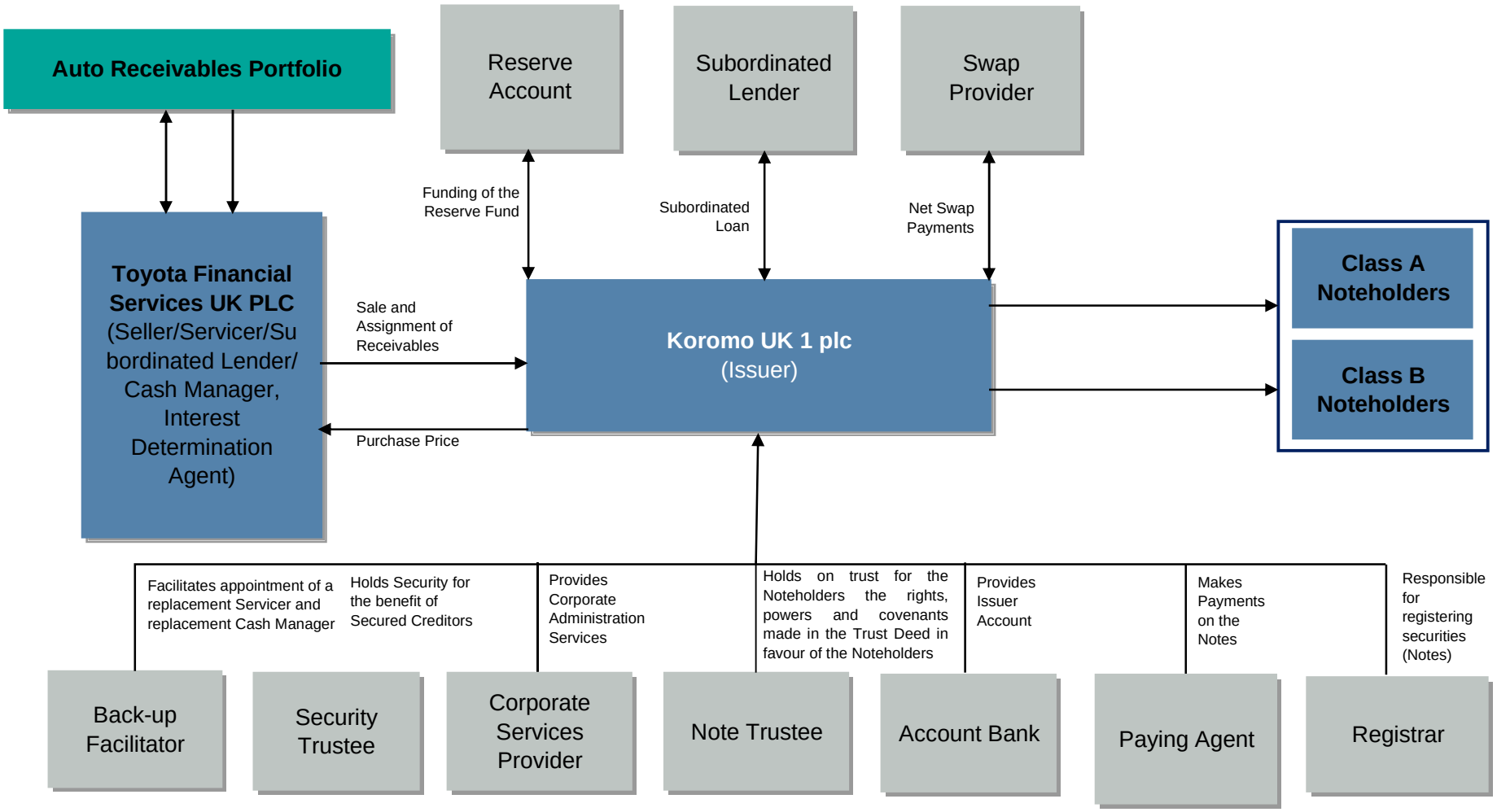
Notes such that their holding amounts to the minimum authorised denomination (or another relevant denomination amount).

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

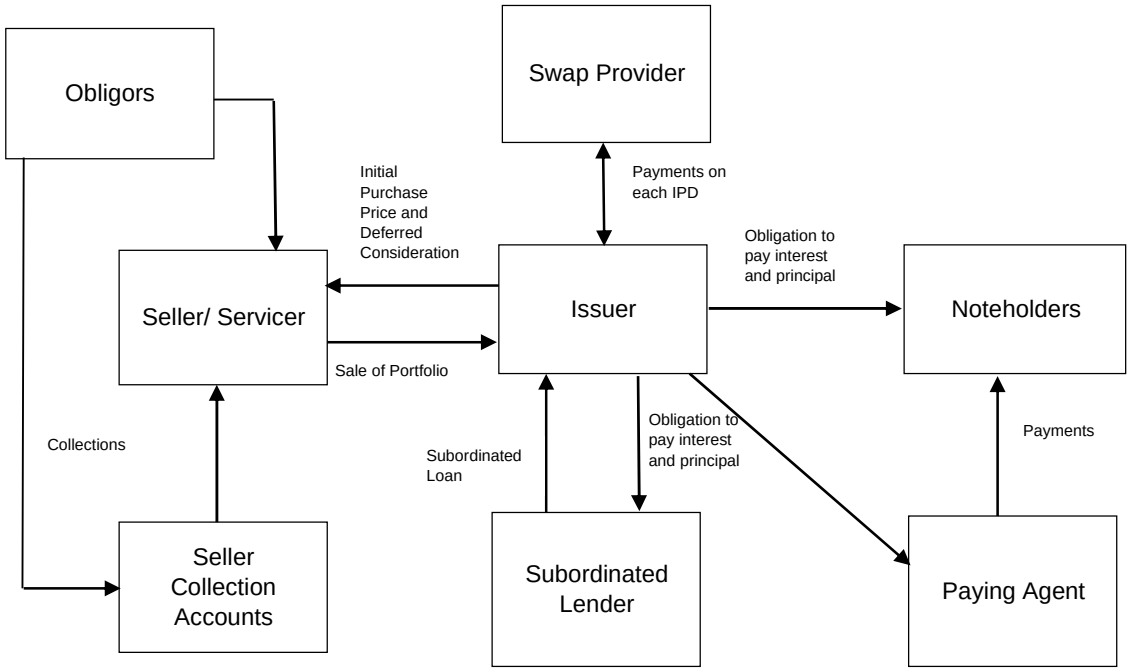
The Issuer believes that the risks described above are the principal risks for the Noteholders, but the inability of the Issuer to pay interest and (following the end of the Revolving Period) principal on the Notes may occur for other reasons.

DIAGRAMMATIC OVERVIEW

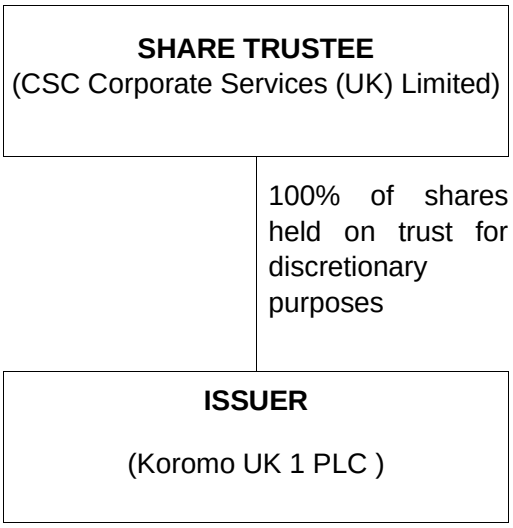
These structure diagrams of Transaction are qualified in its entirety by reference to the more detailed information appearing elsewhere in this Prospectus.



DIAGRAMMATIC OVERVIEW OF ON-GOING CASH FLOWS



DIAGRAMMATIC OVERVIEW OF THE OWNERSHIP OF THE ISSUER



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TRANSACTION PARTIES ON THE CLOSING DATE

Party	**Name**	**Address**	***Document under which appointed/Further Information***
Issuer	Koromo UK 1 PLC	10th Floor 5 Churchill Place, London, United Kingdom, E14 5HU	N/A. See the section entitled "*THE ISSUER*" for further information.
Seller	Toyota Financial Services (UK) PLC	Great Burgh, Burgh Heath, Epsom, Surrey, KT18 5UZ	N/A. See the section entitled "*THE SELLER, SERVICER, SUBORDINATED LENDER, CASH MANAGER AND INTEREST DETERMINATION AGENT*" for further information.
Servicer	Toyota Financial Services (UK) PLC	Great Burgh, Burgh Heath, Epsom, Surrey, KT18 5UZ	Servicing Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Servicing Agreement*" for further information.
Cash Manager	Toyota Financial Services (UK) PLC	Great Burgh, Burgh Heath, Epsom, Surrey, KT18 5UZ	Cash Management Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Cash Management Agreement*" for further information.
Back-Up Facilitator	CSC Capital Markets UK Limited	10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom	Servicing Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL*

			TRANSACTION DOCUMENTS – Servicing Agreement" for further information.
Swap Provider	Royal Bank of Canada	100 Bishopsgate, London, EC2N 4AA	Swap Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Swap Agreement*" for further information.
Account Bank	Citibank, N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom	Bank Account Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Bank Account Agreement*" for further information.
Note Trustee	CSC Trustees Limited	10th floor, 5 Churchill Place, London, E14 5HU, United Kingdom	Trust Deed. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Trust Deed*" for further information.
Security Trustee	CSC Trustees Limited	10th floor, 5 Churchill Place, London, E14 5HU, United Kingdom	Deed of Charge. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Deed of Charge*" for further information.
Paying Agent	Citibank, N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom	Agency Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Agency Agreement*"

			for further information.
Interest Determination Agent	Toyota Financial Services (UK) PLC	Great Burgh, Burgh Heath, Epsom, Surrey, KT18 5UZ	Agency Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Agency Agreement*" for further information.
Registrar	Citibank, N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom	Agency Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Agency Agreement*" for further information.
Corporate Services Provider	CSC Capital Markets UK Limited	10th floor, 5 Churchill Place, London, E14 5HU, United Kingdom	Corporate Services Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Corporate Services Agreement*" for further information.
Subordinated Lender	Toyota Financial Services (UK) PLC	Great Burgh, Burgh Heath, Epsom, Surrey, KT18 5UZ	Subordinated Loan Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Subordinated Loan Agreement*" for further information.
Calculation Agent	Royal Bank of Canada	100 Bishopsgate, London, EC2N 4AA	Swap Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION*

			DOCUMENTS – Swap Agreement" for further information.
Co-Arranger	BofA Securities	2 King Edward Street, London EC1A 1HQ, United Kingdom	Subscription Agreement. See the section entitled "*SUBSCRIPTION AND SALE*" for further information.
Co-Arranger	MUFG Securities EMEA plc	Ropemaker Place, 25 Ropemaker Street, London EC2Y 9AJ, United Kingdom	Subscription Agreement. See the section entitled "*SUBSCRIPTION AND SALE*" for further information.
Joint Lead Manager	BofA Securities	2 King Edward Street, London EC1A 1HQ, United Kingdom	Subscription Agreement. See the section entitled "*SUBSCRIPTION AND SALE*" for further information.
Joint Lead Manager	MUFG Securities EMEA plc	Ropemaker Place, 25 Ropemaker Street, London EC2Y 9AJ, United Kingdom	Subscription Agreement. See the section entitled "*SUBSCRIPTION AND SALE*" for further information.
Irish Listing Agent	Hogan Lovells (Ireland) LLP	Fitzwilliam Hall, Fitzwilliam Place, Dublin 2 D02 T292, Ireland	N/A
Clearing Systems	Clearstream, Luxembourg and Euroclear	Euroclear: 1, Boulevard du Roi Albert II 1201 Brussels, Belgium Clearstream: 42 av. J.F. Kennedy 1855 Luxembourg	N/A
Rating Agencies	Fitch and S&P	Fitch: 30 North Colonnade, London, E14 5GN, United Kingdom S&P: 4th Floor Ropemaker Place, 25 Ropemaker Street, London EC2Y 9LY, United Kingdom	N/A
Competent	Central Bank of Ireland	New Wapping Street	N/A

Authority		North Wall Quay Dublin 1, Ireland	
Stock Exchange	Irish Stock Exchange PLC trading as Euronext Dublin	28 Anglesea Street, Dublin 2, Ireland	N/A

PORTFOLIO AND SERVICING

Please refer to the sections entitled "DESCRIPTION OF THE PORTFOLIO", "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Receivables Sale and Purchase Agreement" and "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Servicing Agreement" for further information.

Sale of Receivables

The Portfolio will consist of the Receivables and their related Ancillary Rights which will be sold by the Seller to the Issuer on the Closing Date (the "**Initial Receivables**") and, subsequently, on each Interest Payment Date during the Revolving Period (an "**Additional Purchase Date**" and such Receivables the "**Additional Receivables**").

The Receivables comprising the Portfolio will be sold by the Seller pursuant to the Receivables Sale and Purchase Agreement and arise from credit granted to Obligors for the financing of the vehicles under the Underlying Agreements. See further "*DESCRIPTION OF THE PORTFOLIO*".

All Receivables to be sold under the Receivables Sale and Purchase Agreement will meet at the Closing Date or (as applicable) the relevant Additional Purchase Date the Eligibility Criteria and such Receivables, together with all the other Purchased Receivables meet the Concentration Limits set forth in the Receivables Purchase Agreement (see "*DESCRIPTION OF THE PORTFOLIO – ELIGIBILITY CRITERIA").*

Although the Obligor is the registered keeper of the vehicle, the Seller retains title to the vehicles. The Underlying Agreements which are PCP Agreements contain provisions entitling, but not obliging, the Obligor to purchase the vehicle at the end of the hire period, normally on payment of a specified purchase fee.

The Issuer will purchase and accept on the Closing Date the Initial Receivables as of the Initial Cut-Off Date.

The Receivables Purchase Agreement provides that the Issuer will, during the Revolving Period, on any Additional Purchase Date purchase from TFSUK any Additional Receivables if and to the extent offered by TFSUK subject to the fulfilment of certain conditions. Such conditions include, inter alia, the requirement that the Additional Receivables meet the Eligibility Criteria and such Receivables, together with all the other Purchased Receivables, meet the Concentration Limits set forth in the Receivables Sale and Purchase Agreement. Where the Additional Receivables include Scottish Receivables, pending perfection under Scots law of such sale by duly intimated assignation, TFSUK will hold the benefit of the Scottish Receivables and the other Scottish Trust Property in trust for the benefit of the Issuer on the terms of a Scottish Trust.

In addition, at the same time as completion of such sale of Receivables originated by TFSUK:

(a) the Issuer and TFSUK will execute a Scottish Declaration of Trust in respect of, inter alia, those of the relevant Receivables which are Scottish Receivables and TFSUK will intimate and deliver such Scottish Declaration of Trust to the Issuer; and

(b) the Issuer will assign the benefit of the Scottish Trust so created to the Security Trustee substantially in the form of the Assignation in Security and the Issuer will procure that that assignation is intimated to the Seller and delivered to the Security Trustee.

The Ancillary Rights include the right to receive the proceeds of sale of the Vehicle that is the subject of the relevant Underlying Agreement, including where the sale of such Vehicle arises due to the return or repossession of the Vehicle following a default by the Obligor under the relevant Underlying Agreement or exercise by the relevant Obligor of a Voluntary Termination.

The assignment by the Seller of the Purchased Receivables will take effect in equity because no notice of the assignment will be given to Obligors unless a Perfection Event shall have occurred.

Features of Purchased Receivables

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

Portfolio Overview (as of the Initial Cut-Off Date)

Current Aggregate Discounted Balance (GBP)	657,895,227.08
Nominal value of portfolio sold to SPV	682,414,551.67
Aggregate Discounted Residual Value Amount (GBP)	416,382,068.37
Number of Contracts	38,470.00
Average Current Discounted Balance (GBP)	17,101.51
WA Discount Rate in %	7.79%
WA Discounted RV as % of the Current Discounted Balance	63%
WA Loan to Value (%)	80.74%

Purchase Price

The Initial Purchase Price will be payable by the Issuer to the Seller in respect of the Purchased Initial Receivables and the Ancillary Rights relating to such Initial Receivables comprised in the Portfolio on the Closing Date. The Additional Purchase Price in respect of the Additional Receivables and the Ancillary Rights relating to such Additional Receivables that are purchased on such date will be payable by the Issuer to the Seller on each Additional Purchase Date, in respect of the Additional Receivables and the Ancillary Rights relating to such Additional Receivables that are purchased on such date. The Purchase Price in respect of each Receivable equals the sum of:

(a) the Initial Purchase Price or Additional Purchase Price, as applicable; and

(b) the amount payable by the Issuer as Deferred Consideration (if any) on each Interest Payment Date subject to the Priority of Payments.

See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Receivables Sale and Purchase*

Agreement" for more information.

Representations and Warranties

The Seller will make certain representations and warranties (the "**Seller Receivables Warranties**") to the Issuer and the Security Trustee regarding compliance of the Purchased Receivables and the related Underlying Agreements (including, among other things, that all Purchased Receivables (including, where relevant their Ancillary Rights) comply with the Eligibility Criteria on the Initial Cut-Off Date (in respect of the Initial Receivables) and, if relevant, the Additional Cut-Off Date (in respect of the Additional Receivables only) with reference to the facts and circumstances subsisting as at the date indicated in the relevant Eligibility Criteria and the Receivables offered for sale on the relevant Cut-off Date, together with all other Purchased Receivables, comply with the Concentration Limits and on each date on which a Variation is agreed in respect of a Purchased Receivable, such Variation is not a Non-Permitted Variation.

Eligible Receivables

For a receivable to be an Eligible Receivable, a number of criteria apply, including that such Purchased Receivable constitutes the legal, valid and binding obligations of the related Obligor, enforceable against such Obligor except as such enforcement against such Obligor may be limited by any applicable insolvency law or by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), in each case, under all Applicable Laws.

See the section entitled "*OVERVIEW OF THE TRANSACTION DOCUMENTS – Receivables Sale and Purchase Agreement – Representations and warranties given by the Seller*" for further information.

Repurchase of the Purchased Receivables

On the Closing Date, the Seller shall represent and warrant that any Receivable offered for purchase is eligible in accordance with the Eligibility Criteria and the Concentration Limits on the Initial Cut-Off Date. On the relevant Additional Purchase Date, the Seller shall represent and warrant that any Additional Receivable comprised within the Portfolio offered for purchase is eligible in accordance with the Eligibility Criteria, together with all other Purchased Receivables, the Concentration Limits on the Additional Cut-Off Date immediately preceding such Additional Purchase Date. In addition, on each date on which a Variation is agreed in respect of a Purchased Receivable, the Seller represents and warrants that the Variation is not a Non-Permitted Variation.

To the extent that a Seller Receivables Warranty given by the Seller in respect of a Purchased Receivable proves to have been incorrect on the date on which such Seller Receivables Warranty was made where such breach materially and adversely affects the interests of the Issuer in any Purchased Receivable and, if applicable, the relevant breach cannot be remedied, or if the relevant Purchased Receivable never existed or has ceased to exist such that it is not outstanding as at the Repurchase Date, or where a Non-Permitted Variation has been made in respect of the relevant Purchased Receivable (each such affected Receivable being a "**Non-Compliant Receivable**"):

(a) the Seller will be required to repurchase such Receivable on the first Interest Payment Date immediately following such breach by

depositing or causing the Servicer to deposit, into the Transaction Account, an amount equal to the Repurchase Price for such Receivable; or

(b) in the case of a Purchased Receivable which never existed, or has ceased to exist, such that it is not outstanding as at the Repurchase Date, the Seller will not be required to repurchase such Purchased Receivable and will instead be required to pay to the Issuer an amount, calculated by the Servicer, equal to the Repurchase Price for such Receivable (the "**Receivables Indemnity Amount**").

Perfection Events

Transfer of the legal title to the relevant Purchased Receivables will be completed on the occurrence of certain Perfection Events, which include the occurrence of an Insolvency Event in respect of the Seller.

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

Prior to the completion of the transfer of legal title to the relevant Purchased Receivables, the Issuer will hold only the equitable title to those Purchased Receivables and will therefore be subject to certain risks as set out in the section "*RISK FACTORS – Risks relating to the Notes and the structure – Equitable assignment*".

Clean-Up Call

The Seller is entitled to repurchase all of the Purchased Receivables on any Interest Payment Date (a) following the Determination Date on which the Aggregate Discounted Receivables Balance of all Purchased Receivables is equal to or less than 10% of the Aggregate Discounted Receivables Balance of all Purchased Receivables as at the Initial Cut-Off Date or (b) on which the Class A Notes (including any interest accrued but unpaid thereon) are redeemed and repaid in full. The price payable for such Purchased Receivables shall be equal to the Final Repurchase Price.

Tax Redemption Receivables Call Option

The Seller is entitled to repurchase all of the Purchased Receivables on any date fixed by the Issuer for redemption of the Notes pursuant to Condition 5(b) (*Optional redemption for taxation reasons*). The price payable for such Purchased Receivables shall be equal to the Tax Redemption Repurchase Price.

Servicing of the Purchased Receivables

The Servicer will be appointed by the Issuer to service the Purchased Receivables on a day-to-day basis. The Issuer (prior to the delivery of a Note Acceleration Notice) with the written consent of the Security Trustee, or the Security Trustee itself (after delivery of a Note Acceleration Notice) will have the right to remove TFSUK as Servicer upon the occurrence of any of the following events (the "**Servicer Termination Events**"):

(a) an Insolvency Event occurs in respect of the Servicer;

(b) the Servicer fails to pay any amount due under the Servicing Agreement on the due date or on demand, if so payable, or to direct any movement of collections as required under the Servicing Agreement and the other Transaction Documents, and such failure has continued unremedied for a period of 7 Business Days after written notice of the same has been received by the

Servicer or discovery of such failure by the Servicer;

(c) the Servicer (i) fails to observe or perform in any respect any of its covenants and obligations (in its capacity as Servicer) under or pursuant to the Servicing Agreement or any other Transaction Document to which it is a party (other than as referred to in paragraph (b) above and paragraph (ii) of this paragraph (c)) and such failure results in a Material Adverse Effect on the Purchased Receivables and continues unremedied for a period of 60 calendar days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer or (ii) fails to maintain its authorisations and permissions under the FSMA or any other regulatory licence or approval required under the terms of the Servicing Agreement and such failure continues unremedied for a period of 60 calendar days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer; or

(d) any of the representations or warranties given by the Servicer pursuant to the Servicing Agreement or any other Transaction Document to which it is a party (in its capacity as Servicer) prove to be untrue, incomplete or inaccurate and such default results in a Material Adverse Effect on the Purchased Receivables and (if capable of remedy) continues unremedied for a period of 60 calendar days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer.

Delegation by Servicer

The Servicer may delegate some of its servicing functions to a third party provided that the Servicer remains responsible for the performance of any functions so delegated and subject to certain conditions – see the section of this Prospectus entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Servicing Agreement*".

OVERVIEW OF THE CONDITIONS OF THE NOTES

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

FULL CAPITAL STRUCTURE OF THE NOTES

	Class A Notes	**Class B Notes**
Currency	GBP	GBP
Initial Outstanding Note Principal Amount	500,000,000	157,895,000
Rating Agencies	Fitch and S&P	Fitch and S&P
Anticipated ratings	AAAsf by Fitch AAA(sf) by S&P	No anticipated ratings
Credit Enhancement	Subordination of the Class B Notes and the Reserve Fund (i) as made available as part of the Available Receipts, (ii) on the relevant Final Interest Payment Date in respect of the Class A Notes, the Legal Maturity Date and the date on which the Aggregate Discounted Receivables Balance is zero and the date on which the Clean-Up Call is exercised and (iii) following service of a Note Acceleration Notice.	
Liquidity Support	The Class A Notes will benefit from liquidity support provided by amounts standing to the credit of the Reserve Fund (in an amount up to the Reserve Fund Required Amount) and the subordination of payments of interest and principal on the Class B Notes and the Subordinated Loan respectively.	The Class B Notes will benefit from liquidity support provided by the subordination of the Subordinated Loan.

	Class A Notes	Class B Notes
Interest Rate	Compounded Daily SONIA + Relevant Margin the sum being subject to a floor of zero	5.00 per cent.
Relevant Margin	0.60 per cent.	N/A
Interest Accrual Method	Actual/365	Actual/365
Interest Determination Date	The fifth Business Day before the Interest Payment Date for which the relevant Interest Rate and Interest Amount will apply.	
Interest Payment Dates	Interest will be payable monthly in arrear (or such shorter period for the first Interest Period) on the Interest Payment Date falling on the 23rd day of each month commencing on the first Interest Payment Date, subject to the Modified Following Business Day Convention.	
Business Day	London	London
Business Day Convention	Modified following	Modified following
First Interest Payment Date	23 October 2024	
First Interest Period	The period commencing on (and including) the Closing Date and ending on (but excluding) the first Interest Payment Date falling on 23 October 2024.	
Pre-Acceleration Priority of Payments	Sequential pass through redemption in accordance with the Pre-Acceleration Priority of Payments. Please refer to Condition 2 (*Status and Security*).	

	Class A Notes	Class B Notes
Post-Acceleration Priority of Payments	Sequential pass through redemption in accordance with the Post-Acceleration Priority of Payments. Please refer to Condition 2 (*Status and Security*).	
Clean-Up Call	On any Interest Payment Date (a) following the Determination Date on which the Aggregate Discounted Receivables Balance is equal to or less than 10% of the Aggregate Discounted Receivables Balance as at the Initial Cut-Off Date or (b) on which the Class A Notes (including any interest accrued but unpaid thereon) are redeemed and repaid in full (*see Condition 5(d) Clean-Up Call*).	
Other Early Redemption in full Events	Tax Event (see Condition 5(b) (*Optional redemption for taxation reasons*)).	
Final Redemption Date/ Legal Maturity Date	Interest Payment Date falling in October 2034, subject to the Modified Following Business Day Convention	Interest Payment Date falling in October 2034, subject to the Modified Following Business Day Convention
Form	Registered	Registered
Application for Listing	Euronext Dublin	Not listed
ISIN	XS2889379587	XS2889380080
Common Code	288937958	288938008
Clearance/Settlement	Clearstream, Luxembourg and Euroclear The Class A Notes will be issued under the NSS	Clearstream, Luxembourg and Euroclear The Class B Global Notes will be held by a Common Depositary for Clearstream, Luxembourg and Euroclear

	Class A Notes	**Class B Notes**
Regulation	Reg S	Reg S
Minimum Denomination	£100,000	£100,000
Significant Initial Purchaser	N/A	TFSUK

Ranking	The Notes within each Class will rank *pari passu* and rateably without any preference or priority among themselves as to payments of interest and principal at all times. Payments of both interest and principal on the Class A Notes will at all times rank in priority to payments of both interest and principal on the Class B Notes. Payments under the Subordinated Loan are subordinate to all payments due in respect of the Notes.
Payments on the Notes	Prior to the service of a Note Acceleration Notice, payments of interest and (following the end of the Revolving Period) principal on the Notes will be made in accordance with the Pre-Acceleration Priority of Payments. Following the service of a Note Acceleration Notice, all payments will be made in accordance with the Post-Acceleration Priority of Payments. Some of the other Secured Obligations rank senior to the Issuer's obligations under the Notes and the Subordinated Loan in respect of the allocation of proceeds as set out in the relevant Priority of Payments.
Security	The Notes and the Subordinated Loan are secured and will share the Security with the other Secured Obligations of the Issuer as set out in the Deed of Charge.
Assignations in Security and Scottish Declaration of Trust	As continuing security for the payment or discharge of the Secured Obligations, the Issuer granted and will grant Assignations in Security in favour of the Security Trustee, for itself and on trust for the Secured Creditors relative to the Scottish Declarations of Trust under which TFSUK holds and will hold in trust for the Issuer all its present and future rights, title and interest in, to and under, *inter alia*, the Scottish Receivables.
Use of proceeds of the Notes	The proceeds of issue of the Class A Notes and the Class B Notes (the "**Notes**") will be used by the Issuer to fund the payment of the Initial Purchase Price of the Initial Receivables comprised in the Portfolio on the Closing Date.
Use of proceeds of the Subordinated Loan	The proceeds of the Subordinated Loan will be used by the Issuer to establish the Reserve Fund in the Reserve Account through the retention of the Reserve Fund Required Amount.
Interest Provisions	Please refer to "*Full Capital Structure of the Notes*" as set out above and Condition 4 (*Interest*) for the relevant interest provisions.
Interest Deferral	Interest due and payable on the Most Senior Class of Notes will not be deferred. Interest due and payable on the Notes (other than interest due in respect of the Most Senior Class of Notes) may be deferred in accordance with Condition 6 (*Deferral of interest and subordination*) on any Interest Payment Date (other than the final Interest Payment Date or any earlier date of redemption of such Class of Notes in full). Interest due and

payable on the Subordinated Loan may be deferred in accordance with the Subordinated Loan Agreement. For the avoidance of doubt, such deferral shall not result in the occurrence of an Event of Default.

Gross-up

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

Redemption

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

(a) mandatory redemption in whole on the Legal Maturity Date, as fully set out in Condition 5(a) (*Final redemption*);

(b) in the case of the Notes, mandatory early redemption in part on each Interest Payment Date commencing on the first Interest Payment Date subject to availability of Available Receipts in accordance with the applicable Priority of Payments, as fully set out in Condition 5(c) (*Mandatory early redemption in part*);

(c) optional redemption exercisable by the Issuer in whole for tax reasons as fully set out in Condition 5(b) (*Optional redemption for taxation reasons*); and

(d) mandatory redemption in whole on any Interest Payment Date if the Seller exercises its Clean-Up Call, as fully set out in Condition 5(d) (*Clean-Up Call*).

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

Events of Default

As fully set out in Condition 10 (*Events of Default*) which comprises (where relevant, subject to the applicable grace period):

(a) an Insolvency Event occurs in respect of the Issuer;

(b) a default occurs in the payment of interest on any Interest Payment Date in respect of the Most Senior Class of Notes (and such default is not remedied within five Business Days of its occurrence);

(c) the Issuer defaults in the payment of principal on the Most Senior Class of Notes when due, and such default continues for a period of 7 Business Days;

(d) the Issuer defaults in the payment of principal on any Class of Notes on the Legal Maturity Date;

(e) the Issuer fails to perform or observe any of its other

material obligations under the Conditions or the Transaction Documents and such failure continues for a period of 30 calendar days following written notice from the Note Trustee or any other Secured Creditors on the Issuer requiring the same to be remedied (except in any case where the Note Trustee, in its absolute discretion, considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required); or

(f) the Deed of Charge (or any security interest purported to be created thereunder) shall, for any reason, cease to be in full force and effect or be declared to be null and void, or the validity or enforceability thereof shall be contested by the Issuer or the Issuer shall deny that it has any or further liability or obligation under the Deed of Charge (or with respect thereto).

Enforcement

If an Event of Default has occurred and is continuing, the Note Trustee at its absolute discretion may, and, if so directed in writing by the holders of at least 25% in aggregate Outstanding Note Principal Amount of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes at the relevant date will give a Note Acceleration Notice to the Issuer, the Security Trustee, the Account Bank, the Cash Manager and the Paying Agent declaring the Notes due and payable and each Note will accordingly become immediately due and payable, without further action or formality, at its Outstanding Note Principal Amount together with accrued interest (in the case of the Notes).

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

Following the delivery of a Note Acceleration Notice the Security Trustee will, subject to being indemnified and/or secured and/or prefunded to its satisfaction, have the right to enforce the Security.

Limited Recourse

The Notes and the Subordinated Loan are limited recourse obligations of the Issuer, and, if not repaid in full, amounts outstanding are subject to a final write-off, which is described in more detail in Condition 7(g) (*Limited recourse*) and the Subordinated Loan Agreement, respectively.

Non petition

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

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

(b) to take or join in any steps against the Issuer to obtain

payment of any amount due from the Issuer to it; or

(c) until the date falling one year and one day after the Final Redemption Date, to initiate or join in initiating any Insolvency Proceedings in relation to the Issuer; or

(d) to take any steps which would result in any of the Priorities of Payments not being observed.

Governing Law English law.

RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS

Please refer to sections entitled "DESCRIPTION OF THE NOTES" and "CONDITIONS OF THE NOTES" for further detail in respect of the rights of Noteholders, conditions for exercising such rights and relationship with other Secured Creditors.

Prior to an Event of Default

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

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

Following an Event of Default

Following the occurrence of an Event of Default, Noteholders may, if they hold at least 25% in aggregate Outstanding Note Principal Amount of the Most Senior Class of Notes or acting by an Extraordinary Resolution of the Most Senior Class of Notes (subject, in each case, to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction), direct the Note Trustee to give a Note Acceleration Notice to the Issuer, the Security Trustee, the Account Bank, the Cash Manager and the Paying Agent notifying the Issuer that all classes of the Notes are immediately due and repayable at their respective Outstanding Note Principal Amount together with accrued interest.

The Note Trustee may without the consent of the Noteholders, if it is of the opinion that such determination will not be materially prejudicial to the interests of the Most Senior Class of Notes, determine that an Event of Default or Potential Event of Default shall not, or shall not subject to specified conditions, be treated as such, provided that the Note Trustee shall not exercise any such powers in contravention of any express direction given by an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes or by a direction under Condition 10 (*Events of Default*).

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

Noteholders Meeting provisions

	Initial meeting	*Adjourned meeting*
Notice period:	At least 21 clear days (but not more than 90	At least 10 clear days for the adjourned

	clear days) for the initial meeting	meeting (and no more than 42 clear days in the case of an initial adjournment of a meeting at which an Extraordinary Resolution is to be proposed).
Quorum:	At least 20% of the Outstanding Note Principal Amount of the relevant Class of Notes then outstanding for all Ordinary Resolutions; at least 50% of the Outstanding Note Principal Amount of the relevant Class of Notes for the initial meeting to pass an Extraordinary Resolution (other than a Basic Terms Modification, which requires at least 66⅔% of the Outstanding Note Principal Amount of the relevant Class of Notes).	Any holding (other than an Extraordinary Resolution or a Basic Terms Modification, which requires at least 25% of the Outstanding Note Principal Amount of the relevant Class of Notes).
Required majority for an Ordinary Resolution and an Extraordinary Resolution:	At least 50% of votes cast for matters requiring Ordinary Resolution and at least 75% of votes cast for matters requiring Extraordinary Resolution.	
Required majority for passing a Written Resolution:	Extraordinary Resolution: At least 75% of the Outstanding Note Principal Amount of the relevant Class of Notes then outstanding. Ordinary Resolution: At least 50% of the Outstanding Note Principal Amount of the relevant Class of Notes then outstanding. A Written Resolution has the same effect as an Ordinary Resolution or an Extraordinary Resolution.	
Electronic Consent	Consent may be given by way of electronic consents communicated through the electronic communications systems of the	

relevant Clearing System(s) to the Paying Agent or another specified agent and/or the Note Trustee in accordance with the operating rules and procedures of the relevant Clearing System(s) by or on behalf of the Noteholders the required majority for an Ordinary Resolution or an Extraordinary Resolution (as applicable).

Place — All meetings of Noteholders and shall be held in the UK or by way of conference call, including by use of video conference platform, as applicable.

Matters requiring Ordinary Resolution

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

Matters requiring Extraordinary Resolution

Broadly speaking, the following matters require an Extraordinary Resolution:

(a) to approve any Basic Terms Modification;

(b) to sanction any compromise or arrangement between the Issuer and any other party to any Transaction Document or the Noteholders;

(c) to sanction any modification or compromise in respect of the rights of the Issuer or any other party to any Transaction Document against any other party to a Transaction Document;

(d) to assent to any modification of any Transaction Document (except where the Conditions provide that the consent of the Noteholders is not required);

(e) to give any authority or sanction which under the Transaction Documents is required to be given by Extraordinary Resolution;

(f) to appoint any persons as a committee or committees to represent the interests of the Noteholders and to confer upon them any powers or discretions which they could themselves exercise by Extraordinary Resolution;

(g) to approve of a person to be appointed a trustee and to remove or any trustee of the Trust Deed and/or the Deed of Charge;

(h) to discharge or exonerate the Note Trustee and/or the Security Trustee from all Liability in respect of any act or omission for which it may be responsible;

(i) to authorise the Note Trustee and/or the Security Trustee to concur in and do all such things as may be necessary to give effect to any Extraordinary Resolution;

(j) to sanction any scheme or proposal for the exchange or sale of the Notes for or the conversion of the Notes into or the cancellation of the Notes in consideration of shares, stock, notes, bonds, debentures or debenture stock; and

(k) to approve the substitution of any entity for the Issuer as principal debtor under the Trust Deed and the Notes (other than where the Conditions or the Transaction Documents provide that this may be done without the consent of the Noteholders).

Right of modification without Noteholder consent

Pursuant to and in accordance with the detailed provisions of Condition 12 (*Meetings of Noteholders, amendments, waiver, substitution and exchange*) the Note Trustee shall be obliged, without any consent or sanction of the Noteholders or the other Secured Creditors but subject to the receipt of written consent from each of the Secured Creditors party to the Transaction Document being modified, to concur with the Issuer in making any modification (other than a Basic Terms Modification which, for the avoidance of doubt, shall not include a Benchmark Rate Modification) to the Conditions and/or any Transaction Document or enter into any new, supplemental or additional documents for the purposes of:

(a) complying with, or implementing or reflecting, any change in criteria of the Rating Agencies;

(b) enabling the Issuer and/or the Swap Provider to comply with any obligation which applies to it under EU EMIR and/or UK EMIR;

(c) complying with any changes which are required to comply with the UK Securitisation Regulation or the EU Securitisation Regulation, or Section 15G of the Exchange Act, as added by section 941 of the Dodd-Frank Act or any other laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements in relation thereto (including the applicable reporting requirements thereunder, the appointment of a third party to assist with the reporting obligations pursuant to the UK Securitisation Regulation or the EU Securitisation Regulation or the appointment of any required securitisation repository), including as a result of the adoption of additional regulatory technical standards in relation to the UK Securitisation Regulation or the EU Securitisation Regulation ;

(d) enabling the Class A Notes to be or remain listed on Euronext Dublin;

(e) enabling the Issuer or any other Transaction Party to comply with FATCA (or any voluntary agreement entered into with a Tax Authority in relation thereto);

(f) enabling the Issuer to open any custody account for the receipt of any collateral posted by the Swap Provider under

the Swap Agreement in the form of securities;

(g) opening additional accounts with an additional account bank or moving the Issuer Accounts to be held with an alternative account bank with the Required Ratings;

(h) for so long as the Class A Notes are intended to be held in a manner which will allow for Eurosystem eligibility, maintaining such eligibility;

(i) complying with any changes in the requirements of Regulation (EU) 2017/2401 (which amends Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms) and/or Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, and amending Regulation (EU) No 648/2012, as amended, as it forms part of domestic law of the United Kingdom by virtue of the EUWA and any implementing laws or regulations in force in the United Kingdom (together with applicable directions, secondary legislation, guidance, regulatory technical standards, implementing technical standards and related documents published by the FCA and the PRA of the United Kingdom (the "**UK CRR**");

(j) complying with any changes in the requirements of the UK CRA Regulation or the EU CRA Regulation; and

(k) changing the benchmark rate on the Class A Notes from SONIA to an Alternative Benchmark Rate (and such other amendments as are necessary or advisable in the reasonable judgment of the Issuer (or the Servicer on its behalf) to facilitate such changes) to the extent (amongst other things) there has been or there is reasonably expected to be a material disruption or cessation to SONIA or in the event that an alternative means of calculating a SONIA-based rate of interest is introduced and becomes a standard method of calculating interest for similar transactions (including changing the benchmark rate referred to in any interest rate hedging agreement to align such rate with the proposed change to SONIA in respect of such Class A Notes or other such consequential amendments) or where the Issuer and the Swap Provider agree to apply an alternative fallback (and make alternative adjustments, amendments and payments) in respect of the transaction under the Swap Agreement following the occurrence of a Benchmark Trigger Event thereunder.

(l) Other than in the case of a modification referred to in paragraph (b), (c), (e) and (g) above, it is a condition of any such modification that (1) the Issuer shall provide written notice of the proposed modification to the Noteholders at least 40 calendar days' prior to the date on which it is proposed that the modification would take effect and (2)

Noteholders holding or representing at least 10% of the Outstanding Note Principal Amount of the Most Senior Class of Notes outstanding have not contacted the Issuer or the Note Trustee within such notification period notifying the Issuer or the Note Trustee that such Noteholders do not consent to the proposed modification. If Noteholders representing at least 10% of the Outstanding Note Principal Amount of the Most Senior Class of Notes outstanding have contacted the Issuer or the Note Trustee within the period referred to above that they do not consent to the modification, then such modification will not be made unless passed by an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding in accordance with Condition 12(b)(iv)(3).

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

(a) to the Conditions or any Transaction Document (excluding in relation to a Basic Terms Modification) which in the opinion of the Note Trustee will not be materially prejudicial to the interests of the Most Senior Class of Notes; or

(b) to the Conditions or any Transaction Document (including in relation to a Basic Terms Modification) if in the opinion of the Note Trustee such modification is of a formal, minor or technical nature or to correct a manifest error.

Relationship between Classes of Noteholders

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

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

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

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

Seller/Issuer as Noteholder

For each of the following purposes:

(a) the determination of how many of which Notes of a Class are for the time being outstanding for the purposes of any provisions of their Conditions and the Trust Deed requiring

calculation of the proportion of Noteholders of such Class requesting or directing the Note Trustee to enforce the security for such Class, or the provisions for meetings of the Noteholders of such Class set out in the Trust Deed;

(b) any discretion, power or authority which the Note Trustee is required or permitted, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders of such Class or any of them; and

(c) the determination by the Note Trustee whether, in its opinion, any event, circumstance, matter or thing is or would be materially prejudicial to the interests of the Noteholders or any Class of them,

those Notes of the relevant Class, if any, which are beneficially held by or for the account of the Issuer or the Seller will be deemed not to remain outstanding unless they are together the sole beneficial holders of that Class of Notes.

Relationship between Noteholders and other Secured Creditors

Payments of interest and (following the end of the Revolving Period) principal to Noteholders and payments of interest and principal to the Subordinated Lender are subject to the Priority of Payments as set out in Condition 2 (*Status and Security*).

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

Securitisation Regulation Reporting

The Issuer has been designated as the entity responsible for fulfilling the information requirements under Article 7 of the UK Securitisation Regulation pursuant to Article 7(2) of the UK Securitisation Regulation and shall procure that such requirements are complied with on its behalf. The Issuer (in its capacity as reporting entity for the purposes of Article 7(2) of the UK Securitisation Regulation) will procure the following, provided that the Issuer, as designated entity, has agreed to comply with the relevant provisions of the EU Securitisation Regulation strictly on a contractual basis pursuant to the terms of the relevant Transaction Documents:

(a) preparation of a monthly loan-by-loan information report in relation to the Portfolio in respect of the immediately preceding Calculation Period as required by and in accordance with Article 7(1)(a) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the "**UK Monthly Servicer Data Tape**") and a monthly loan-by-loan information report in relation to the Portfolio in respect of the immediately preceding Calculation Period as required by and in accordance with Article 7(1)(a) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (not taking into account any relevant national measures) (the "**EU Monthly Servicer Data Tape**";

(b) preparation of an investor report on a monthly basis as required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation and UK Article 7 Technical Standards (the "**UK SR Monthly Investor Report**") and an investor report as required by and in accordance with Article 7(1)(e) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (not taking into account any relevant national measures) (the "**EU SR Monthly Investor Report**" and together with the UK SR Monthly Investor Report (the "**Monthly SR Investor Reports**")) (which will be made available to Noteholders simultaneously with the UK Monthly Servicer Data Tape and the EU Monthly Servicer Data Tape);

(c) preparation of an inside information or significant event information report as required by and in accordance with Article 7(1)(f) and/or Article 7(1)(g) (as applicable) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the "**UK SR Inside Information and Significant Event Report**") and an inside information or significant event information report as required by and in accordance with Article 7(1)(f) and/or Article 7(1)(g) (as applicable) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (the "**EU SR Inside Information and Significant Event Report**" and together with the UK SR Inside Information and Significant Event Report, the "**SR Inside Information and Significant Event Reports**");

(d) that copies of the relevant Transaction Documents and this Prospectus will be made available as required by and in accordance with Article 7(1)(b) of the UK Securitisation Regulation and the UK Article 7 Technical Standards and Article 7(1)(b) of the EU Securitisation Regulation and the EU Article 7 Technical Standards; and

(e) before pricing of the Notes in initial form and on or around the Closing Date in final form, for the purposes of compliance with Article 7(1)(d) of the UK Securitisation Regulation, it will make available the UK STS Notification referred to in Article 27 of the UK Securitisation Regulation on a securitisation repository of the EuroABS Portal.

The Issuer will procure that the Servicer will make the information set out in paragraph (a) above available no later than 5 p.m. on each Interest Payment Date the information set out in paragraph (c) above available without delay, the information set out in paragraph (d) above available within 15 calendar days of Closing Date and, the information set out in paragraph (e) above available before pricing and on or around the Closing Date, in each case, to (a) the Issuer, the Seller and the Swap Provider; and (b) the Noteholders, the competent authorities and, upon request, to potential noteholders which obligation shall be satisfied by the Servicer emailing such information to EuroABS for EuroABS to publish such information on a securitisation repository of the

EuroABS Portal.

The Issuer will procure that the Cash Manager shall make the Monthly SR Investor Reports available to the Noteholders, the competent authorities and, upon request, to potential noteholders by procuring publication of such information on a securitisation repository of the EuroABS Portal on each Interest Payment Date. The Issuer will procure that the Monthly SR Investor Reports will be made available simultaneously with the UK Monthly Servicer Data Tape and the EU Monthly Servicer Data Tape.

"**EU Article 7 ITS**" means the Commission Implementing Regulation (EU) 2020/1225 (the "**2020/1225 ITS**") including any relevant guidance and policy statements relating to the application of the 2020/1225 ITS published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission;

"**EU Article 7 RTS**" means the Commission Delegated Regulation (EU) 2020/1224 (the "**2020/1224 RTS**") including any relevant guidance and policy statements relating to the application of the 2020/1224 RTS published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission;

"**EU Article 7 Technical Standards**" means the EU Article 7 RTS and the EU Article 7 ITS;

"**UK Article 7 ITS**" means the EU Article 7 ITS as it forms part of UK domestic law by virtue of the EUWA and any relevant laws, instruments, regulations, rules, guidance, policy statements, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto;

"**UK Article 7 RTS**" means the EU Article 7 RTS as it forms part of UK domestic law by virtue of the EUWA and any relevant laws, instruments, regulations, rules, guidance, policy statements, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto; and

"**UK Article 7 Technical Standards**" means the UK Article 7 RTS and the UK Article 7 ITS.

Communication with Noteholders

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

CREDIT STRUCTURE AND CASHFLOWS

Please refer to sections, "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS", "OVERVIEW OF THE CONDITIONS OF THE NOTES" of this Prospectus for further detail in respect of the credit structure and cash flow of the transaction

Available funds of the Issuer	The Issuer will use the Available Receipts for the purposes of making interest and (following the end of the Revolving Period) principal payments under the Notes and the Subordinated Loan and meeting the Issuer's other payment obligations pursuant to the other Transaction Documents.
Available Receipts	means, in respect of any Calculation Period and the immediately succeeding Interest Payment Date, an amount equal to the sum of (without double counting): (a) the Collections received during such Calculation Period; (b) interest received on any Issuer Account (other than any Swap Collateral Account) during such Calculation Period; (c) amounts received by the Issuer under the Swap Agreement (other than any (1) Swap Termination Payment due to the Issuer (save to the extent such Swap Termination Payment is in excess of any Replacement Swap Premium due to a replacement swap provider), (2) Swap Collateral, (3) Swap Tax Credits or (4) Excess Swap Collateral)) during such Calculation Period; (d) for so long as the Class A Notes remain outstanding, the Reserve Fund (excluding any amount recorded to the Commingling Reserve Ledger); (e) on a Repurchase Date on which the Clean-Up Call is exercised, all amounts standing to the credit of the Transaction Account (excluding the balance on the Issuer Profit Ledger) on the date which is two Business Days prior to the Repurchase Date; (f) upon the occurrence and continuance of a Servicer Termination Event if and only to the extent that the Servicer has, on the relevant Interest Payment Date, failed to transfer to the Issuer any Collections received by the Servicer during, or with respect to the Calculation Period ending on such Cut-Off Date or any previous Calculation Periods, and only to the extent necessary for the fulfilment on the relevant Interest Payment Date of the payment obligations of the Issuer (but excluding any fees and other amounts due to the Servicer under item (iii)(1) of the Pre-Acceleration Priority of Payments so long as no substitute Servicer is appointed in accordance with the Servicing Agreement), any amount recorded to the Commingling Reserve Ledger; and (g) the balance standing to the credit of the Replenishment Ledger representing Excess Collection Amounts;

<table>
<tr><td></td><td>but, for the avoidance of doubt, excluding any Issuer Profit Amount retained by the Issuer on any previous Interest Payment Date, (without double counting) and any payments received by the Issuer in error which have been identified by the Servicer and communicated to the Cash Manager in accordance with the Servicing Agreement.</td></tr>
<tr><td>Summary of Priority of Payments</td><td>Below is a summary of the relevant payment priorities. Full details of the payment priorities are set out in Condition 2 (Status and Security).
<table>
<tr><th>Pre-Acceleration Priority of Payments</th><th>Post-Acceleration Priority of Payments</th></tr>
<tr><td>On each Interest Payment Date falling prior to the service of a Note Acceleration Notice on the Issuer by the Note Trustee, the Issuer will distribute the Available Receipts (other than the amounts referred to in paragraph (g) of that definition) on each Interest Payment Date in accordance with the following Pre-Acceleration Priority of Payments (in each case only if and to the extent that payments or provisions of higher priority have been paid in full):</td><td>The Security Trustee (or the Cash Manager on its behalf) will apply all amounts received or recovered following service of a Note Acceleration Notice, which shall include without limitation any funds in the Reserve Fund (other than amounts representing (i) any Excess Swap Collateral which shall be returned directly to the Swap Provider (and for the avoidance of doubt, such payment shall be without regard to the relevant Priority of Payments) and (ii) in respect of the Swap Provider, prior to the designation of an early termination date under the Swap Agreement and the resulting application of the collateral by way of netting or set-off, an amount equal to the value of all Swap Collateral (other than Excess Swap Collateral) (and any interest or distributions in respect thereof)), in the following order of priority (in each case only if and to the extent that payments or provisions of higher priority have been paid in full):</td></tr>
<tr><td>(a) first, for the Issuer to retain as profit the Issuer Profit Amount on the Issuer Profit Ledger from which the Issuer will discharge its corporate income or corporation tax liability (if any);</td><td>(a) first, for the Issuer to retain as profit the Issuer Profit Amount and to pay any corporate income or corporation tax liability not otherwise able to be paid from the Issuer Profit Ledger;</td></tr>
<tr><td>(b) then, pro rata and pari passu, to pay all amounts due under the Transaction Documents to the Security Trustee and any Receiver and</td><td>(b) then, pro rata and pari passu, to pay all amounts due under the Transaction Documents to the Security Trustee and any Receiver and any Appointee or to the Note</td></tr>
</table></td></tr>
</table>

	any Appointee or to the Note Trustee on account of their fees and expenses (including any legal fees and expenses), claims, costs, liabilities or any indemnity payments together with any amount in respect of VAT (if any) on those amounts as provided for under the Transaction Documents;	Trustee on account of their fees and expenses (including any legal fees and expenses), claims, costs, liabilities or any indemnity payments together with any amount in respect of VAT (if any) on those amounts as provided for under the Transaction Documents;
	(c) then, *pro rata* and *pari passu*, to pay: (i) the Senior Expenses then due or overdue by the Issuer (excluding any amounts paid under item (b) above); (ii) any amount due from the Issuer to EuroABS and the Rating Agencies as surveillance or monitoring fees or to the Irish Listing Agent or Euronext Dublin as fees and expenses in connection with the maintenance of the listing of the Class A Notes, together with any amount in respect of VAT (if any) on those amounts as provided for under the Transaction Documents; and (iii) any fees, costs, Taxes, expenses, indemnity payments and other amounts properly due and payable to the directors of the Issuer (properly incurred with respect to their duties), legal advisers, tax advisers or auditors of the Issuer, and any other amounts due and payable by the Issuer to third parties in connection with the Issuer's ownership of the Purchased Receivables, the Notes, the establishment, liquidation and/or dissolution of the Issuer, or any annual return, filing, registration and registered office or other company, licence or statutory fees in England (excluding any amounts expressly payable as	(c) then, *pro rata* and *pari passu*, to pay: (i) the Senior Expenses then due or overdue by the Issuer (excluding any amounts paid under item (b) above); (ii) any amount due from the Issuer to EuroABS and the Rating Agencies as surveillance or monitoring fees or to the Irish Listing Agent or Euronext Dublin as fees and expenses in connection with the maintenance of the listing of the Class A Notes, together with any amount in respect of VAT (if any) on those amounts as provided for under the Transaction Documents; and (iii) any fees, costs, Taxes, expenses, indemnity payments and other amounts properly due and payable to the directors of the Issuer (properly incurred with respect to their duties), legal advisers, tax advisers or auditors of the Issuer, and any other amounts due and payable by the Issuer to third parties in connection with the Issuer's ownership of the Purchased Receivables, the Notes, the establishment, liquidation and/or dissolution of the Issuer, or any annual return, filing, registration and registered office or other company, licence or statutory fees in England (excluding any amounts expressly payable as Senior Expenses);

	Senior Expenses);	
	(d) then, to pay all amounts (if any) due and payable to the Swap Provider under the Swap Agreement (including termination payments but excluding any Swap Subordinated Amounts)	(d) then, to pay all amounts (if any) due and payable to the Swap Provider under the Swap Agreement (including termination payments but excluding any Swap Subordinated Amounts);
	(e) then, *pro rata* and *pari passu*, to pay the Class A Noteholders any due and payable Class A Interest Amount on the Class A Notes and, in respect of any previous Calculation Periods, any interest overdue on the Class A Notes on that Interest Payment Date;	(e) then, *pro rata* and *pari passu*, to pay the Class A Noteholders amounts in respect of interest and principal due and payable on the Class A Notes until the Class A Notes are redeemed in full;
	(f) then, to the Reserve Fund in an amount up to the amount required to make the balance of the Reserve Fund equal to the Reserve Fund Required Amount (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (f));	(f) then, *pro rata* and *pari passu*, to pay the Class B Noteholders amounts in respect of interest and principal due and payable on the Class B Notes until the Class B Notes are redeemed in full;
	(g) then, either: (i) during the Revolving Period, to pay any Additional Purchase Price if such Interest Payment Date is an Additional Purchase Date and thereafter to credit any Excess Collection Amount to the Replenishment Ledger such that the balance standing to the credit therefor (when aggregated with any Additional Purchase Price payable on such Interest Payment Date) is equal to the Required Replenishment Amount; or (ii) following the end of the Revolving Period, *pro rata* and *pari passu*, in payment to the Class A Noteholders of Outstanding Note Principal Amount on the Class A Notes	(g) then, to pay any Swap Subordinated Amounts due and payable to the Swap Provider;

	until the Class A Notes are redeemed in full;	
	(h) then, *pro rata* and *pari passu*, to pay the Class B Noteholders any due and payable Class B Interest Amount on the Class B Notes and, in respect of any previous Calculation Periods, any Class B Interest Shortfall;	(h) then, to pay the Subordinated Lender amounts in respect of accrued and unpaid interest (including, without limitation, overdue interest) and principal due and payable on the Subordinated Loan until the Subordinated Loan has been reduced to zero;
	(i) then, following the end of the Revolving Period, (subject to the Class A Notes being redeemed in full) to pay *pro rata* and *pari passu* to the Class B Noteholders the Outstanding Note Principal Amount of the Class B Notes until the Class B Notes are redeemed in full;	(i) any amount standing to the credit of the Commingling Reserve Ledger (not required to cover any Servicer Shortfall) to the Servicer; and
	(j) then, to pay any Swap Subordinated Amounts due and payable to the Swap Provider;	(j) then, to pay all remaining excess to TFSUK as Deferred Consideration.
	(k) then, to the Subordinated Lender amounts payable in respect of accrued and unpaid interest on the Subordinated Loan (including, without limitation, overdue interest);	
	(l) then, following the end of the Revolving Period, to the Subordinated Lender, principal amounts until the aggregate principal amount of the Subordinated Loan has been reduced to zero; and	
	(m) then, to pay all remaining excess to TFSUK as Deferred Consideration,	
	provided further that any Commingling Reserve Excess Amount shall be paid outside of such order of priority and directly to the Servicer pursuant to the terms of the Servicing	

	Agreement.
General Credit Structure	The credit structure of the transaction includes the following elements: ***Reserve Fund*** (a) Availability of the Reserve Fund, funded from the proceeds of the Subordinated Loan on the Closing Date, in an amount equal to: (a) GBP 7,000,000 representing 1.40 per cent. of the Class A Notes as at the Closing Date; and (b) thereafter, will be replenished up to the Reserve Fund Required Amount in accordance with the Pre-Acceleration Priority of Payments on each Interest Payment Date. Other than as described below, from the Closing Date up to (and excluding) the Final Class A Interest Payment Date, the Reserve Fund will be available to pay (and only to pay) items (a) to (f) of the Pre-Acceleration Priority of Payments, up to an amount recorded on the Reserve Fund. (b) On the Final Class A Interest Payment Date, the Reserve Fund will be available to pay (and only to pay) items (a), (b), (c), (d), (e) and (g) of the Pre-Acceleration Priority of Payments, up to an amount recorded on the Reserve Fund. (c) On (1) the Legal Maturity Date, (2) the date on which the Aggregate Discounted Receivables Balance is zero and (3) on the Interest Payment Date on which the Clean-Up Call is exercised, the balance standing to the credit of the Reserve Fund shall be applied as Available Receipts in accordance with the Pre-Acceleration Priority of Payments. For the avoidance of doubt, upon service of a Note Acceleration Notice the Reserve Fund shall be applied as Available Receipts in accordance with the Post-Acceleration Priority of Payments. ***Interest rate swap*** Availability of the interest rate swap provided by the Swap Provider to hedge against the variance between the fixed rate of interest in respect of the Purchased Receivables and the floating rate of interest in respect of the Class A Notes. ***Subordination*** (a) Subordination of the Class B Notes to the Class A Notes; and (b) See the sections entitled "*OVERVIEW OF THE PRINCIPAL* TRANSACTION DOCUMENTS — Cash Management Agreement", "OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Swap Agreement" and "CONDITIONS OF THE NOTES" in this Prospectus for further information.
Bank Accounts and Cash Management	All Collections in respect of the Purchased Receivables in the Portfolio are received directly into the Seller Collection Accounts. To the extent that a Rating Agency Event or a Servicer Termination

	Event has not occurred, the Servicer is obliged to transfer Collections in respect of the Purchased Receivables in the Portfolio from the Seller Collection Accounts to the Transaction Account on each Interest Payment Date. If a Rating Agency Event or a Servicer Termination Event occurs and is continuing, the Servicer shall, within sixty (60) calendar days of such occurrence (the "**Performance Period**"), notify the Issuer in writing that it will elect either (i) to, with effect from the date of the relevant notice, transfer any Collections to the Transaction Account no later than two (2) Business Days after the date of receipt of such Collections or (ii) to, (no later than the last day of such Performance Period) advance to the Issuer such amount or amounts as (taking into account any previous advance which has been made for such purpose, except to the extent that such amount has been repaid or withdrawn in accordance with the terms of the Servicing Agreement) to ensure that the amount standing to the credit of the Commingling Reserve Ledger is equal to the Commingling Reserve Required Amount from time to time. For so long as such Rating Agency Event or such Servicer Termination Event is continuing, the Servicer shall have the right to switch between the above options by written notice to the Issuer, as to which see further the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Servicing Agreement*" in this Prospectus). On each Interest Payment Date, amounts representing Collections for the relevant Calculation Period together with other items comprising the Available Receipts shall be applied by the Cash Manager in accordance with the applicable Priority of Payments.
Overview of key Swap Agreement terms	The interest rate swap has the following key commercial terms: (a) **Swap Notional Amount**: On the Closing Date, the notional amount of the Swap Transaction documented under the Swap Agreement will be equal to the outstanding notional amount of the Class A Notes as at the Closing Date. At the commencement of each relevant swap calculation period in respect of the Swap Transaction following the Revolving Period, the notional amount will reduce in accordance with the redemption of the Class A Notes. (b) **Payments by the Issuer and the Swap Provider**: A payment amount (which can be zero) to be paid on each swap payment date corresponding to a swap calculation period for which Swap SONIA is not negative, and which will be calculated under the Swap Agreement as follows: (a) if the Issuer Swap Amount exceeds the Swap Provider Swap Amount, the Issuer will pay such excess to the Swap Provider (or such excess will be paid to the Swap Provider on the Issuer's behalf); (b) if the Swap Provider Swap Amount exceeds the Issuer Swap Amount, the Swap Provider will pay such excess to the Issuer; and (c) if the Swap Provider Swap Amount is equal to the Issuer Swap Amount, neither party will make a payment to the other. A payment amount to be paid on each swap payment date

	corresponding to a swap calculation period for which Swap SONIA is negative, which will be payable by the Issuer to the Swap Provider (or payable to the Swap Provider on the Issuer's behalf), and calculated under the Swap Agreement as the sum of: (a) the applicable Issuer Swap Amount, and (b) the absolute value of the applicable Swap Provider Swap Amount. The Swap Provider will not be required to make any payment to the Issuer under the terms of the Swap Transaction on each such swap payment date. (c) **Frequency of Swap Provider payment**: Each Interest Payment Date. See the section entitled "*OVERVIEW OF THE TRANSACTION DOCUMENTS – Swap Agreement*".

TRIGGERS TABLES

RATING TRIGGERS TABLE

Transaction Party	**Required Ratings/Triggers**	**Possible effects of Trigger being breached include the following**
Account Bank	(a) Long term rating of "A" from S&P; and (b) long-term deposit rating (or, in the absence of such a rating with respect to such entity, an issuer default rating) of "A" or a short term deposit rating (or, in the absence of such a rating with respect to such entity, an issuer default rating) of "F1" from Fitch, or such other rating or ratings as may be agreed by the relevant Rating Agency from time to time (or as are consistent with the then published criteria of the relevant Rating Agency) as would maintain the then current ratings of the Class A Notes.	The consequence of breach is that, within 30 calendar days of the breach, one of the following will occur: (a) the Transaction Account may be closed by, or on behalf of, the Issuer and all amounts standing to the credit thereof shall be transferred by, or on behalf of, the Issuer within 30 calendar days to accounts held with a financial institution (i) having at least the Required Ratings, (ii) which is a bank as defined in Section 991 of the Income Tax Act 2007, and (iii) being an authorised institution under FSMA; (b) a guarantee has been received by the Issuer from an entity having the Required Ratings guaranteeing the obligations of the Account Bank under the Account Bank Agreement; or (c) a Rating Agency Confirmation has or will be obtained by (or on behalf of) the Issuer or the Account Bank will take such other actions as may be reasonably requested by the parties to the Bank Account Agreement (other than the Security Trustee) at the cost of the Issuer to ensure that the rating of the Class A Notes immediately prior to the Account Bank ceasing to have the Required Ratings is not adversely affected by the

Transaction Party	**Required Ratings/Triggers**	**Possible effects of Trigger being breached include the following**
		Account Bank ceasing to have the Required Ratings. If the Account Bank fails to comply with the above, the Account Bank's appointment will be terminated by the Issuer (with prior written notice to the Security Trustee) (such termination being effective on a replacement account bank being appointed by the Issuer).
Swap Provider	An Eligible Swap Provider is any entity which: (a) has at least the Subsequent S&P Required Rating, or (ii) an entity whose present and future obligations to the Issuer under the Swap Agreement (or any new master agreement entered into as a result of a transfer in accordance with the Swap Agreement), are guaranteed by a S&P Eligible Guarantor that has at least the Subsequent S&P Required Rating; and (b) in respect of Fitch, (i) whose Long-Term Fitch Rating or short-term issuer default rating is rated not less than the corresponding Unsupported Minimum Counterparty Rating or (ii) whose obligations under the Swap Agreement are guaranteed by an entity whose Long-Term Fitch Rating or short-term issuer default rating is rated not less than the corresponding Unsupported Minimum Counterparty Rating.	If the Swap Provider ceases to be an Eligible Swap Provider, the Swap Provider shall take action in accordance with the Swap Agreement, including posting eligible collateral into the interest-bearing Swap Collateral Account in accordance with the provisions of the Swap Agreement. Failure of the Swap Provider to maintain its credit rating at certain levels required by the Swap Agreement, which failure may not constitute a termination event if (in the time set forth in the Swap Agreement) the Swap Provider: (a) posts an amount of collateral as calculated in accordance with the credit support annex to the Swap Agreement; and/or (b) (1) obtains a guarantee from an institution with an acceptable rating; or (2) transfers its rights and obligations under the Swap Agreement to a successor Swap Provider which is an Eligible Swap Provider; or (3) takes such other action in order to maintain the then current rating of the Class A Notes, or to restore the ratings of the Class A Notes

Transaction Party	**Required Ratings/Triggers**	**Possible effects of Trigger being breached include the following**
		to the levels they would have been at immediately prior to such downgrade. Failure by the Swap Provider to take the required remedial action in the time required will give rise to a termination event which will give the Issuer the right to terminate the Swap Transaction under the Swap Agreement. The Swap Provider may transfer its rights and obligations under the Swap Agreement to a third party which is an Eligible Swap Provider, subject to certain conditions specified in the Swap Agreement.

NON-RATING TRIGGERS TABLE

Nature of Trigger	**Description of Trigger**	**Consequence of Trigger**
Servicer Termination Event	The occurrence of any of the following events: (a) an Insolvency Event occurs in respect of the Servicer; (b) the Servicer fails to pay any amount due under the Servicing Agreement on the due date or on demand, if so payable, or to direct any movement of collections as required under the Servicing Agreement and the other Transaction Documents, and such failure has continued unremedied for a period of 7 Business Days after written notice of the same has been received by the Servicer or discovery of such failure by the Servicer; (c) the Servicer (i) fails to observe or perform in any respect any of its covenants and obligations (in its capacity as Servicer) under or pursuant to the Servicing Agreement or any other Transaction Document to which it is a party (other than as referred to in paragraph (b) above and paragraph (ii) of this paragraph (c) and such failure results in a Material Adverse Effect on the Purchased Receivables and continues unremedied for a period of 60 calendar days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer	Termination of the appointment of the Servicer. Pursuant to the terms of the Servicing Agreement the Back-Up Facilitator will facilitate the appointment of a suitable entity with all necessary facilities available to act as a successor servicer and will use reasonable efforts to ensure that such entity enters into a successor servicing agreement, the terms of which are similar to the Servicing Agreement. At any time, the Servicer may also resign its appointment on no less than six months' written notice to, among others, the Issuer and the Security Trustee and the Note Trustee with a copy being sent to the Rating Agencies provided that such resignation shall not take effect until a replacement Servicer that has been consented to by the Security Trustee has been appointed in its place. Termination of the appointment of the Servicer and use of reasonable endeavours by the Issuer to appoint a

	or (ii) fails to maintain its authorisations and permissions under the FSMA or any other regulatory licence or approval required under the terms of the Servicing Agreement and such failure continues unremedied for a period of 60 calendar days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer; or (d) any of the representations or warranties given by the Servicer pursuant to the Servicing Agreement or any other Transaction Document to which it is a party (in its capacity as Servicer) prove to be untrue, incomplete or inaccurate and such default results in a Material Adverse Effect on the Purchased Receivables and (if capable of remedy) continues unremedied for a period of 60 calendar days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer.	replacement Servicer.
Perfection Event	Following the occurrence of any of the following events the Issuer may request the Servicer to notify the obligors in respect of the assignment of the Purchased Receivables to the Issuer: (a) the Seller being required to perfect the Issuer's legal title to the Purchased Receivables (or procure the perfection of the Issuer's legal title to the	The Servicer shall deliver a Perfection Event Notice promptly upon request by the Issuer or (after the service of a Note Acceleration Notice) the Security Trustee, in each case, following the occurrence of a Perfection Event. Should the Servicer fail to notify the Obligors, the Issuer (or an agent appointed on its

	Purchased Receivables) by an order of a court of competent jurisdiction or by any regulatory authority of which the Seller is a member or any organisation with whose instructions it is customary for the Seller to comply; (b) it becoming necessary by law to perfect the Issuer's legal title to the Purchased Receivables (or procure the perfection of the Issuer's legal title to the Purchased Receivables); (c) unless otherwise agreed by the Security Trustee, the occurrence of a Servicer Termination Event; (d) all or any part, whose aggregate value exceeds 10 (ten) per cent., of the value of any property, business, undertakings, assets or revenues of TFSUK having been attached as a result of any distress, execution or diligence being levied or any encumbrance taking possession or similar attachment and such attachment has not been lifted within 30 days (e) TFSUK fails to (i) repurchase a Non-Compliant Receivable having become obliged to do so pursuant to the Receivables Sale and Purchase Agreement; (f) the occurrence of an Insolvency Event in respect of the Seller.	behalf and subject to data protection laws) shall promptly notify the relevant Obligors.
Events of Default	The occurrence of any of the following events:	If an Event of Default has occurred and is continuing, the Note Trustee at its

	(a)	an Insolvency Event occurs in respect of the Issuer;	absolute discretion may, and, if so directed in writing by the holders of at least 25% in aggregate Outstanding Note Principal Amount of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes at the relevant date (subject, in each case, to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction), will give a Note Acceleration Notice to the Issuer, the Security Trustee, the Account Bank, the Cash Manager and the Paying Agent declaring the Notes due and payable and each Note will accordingly become immediately due and payable, without further action or formality, at its Outstanding Note Principal Amount together with accrued interest (in the case of the Notes). Following the delivery of a Note Acceleration Notice, the Notes will be automatically declared to be immediately due and payable and the Security Trustee shall, subject to being indemnified and/or secured and/or prefunded to its satisfaction, have the right to enforce the Security.
	(b)	a default occurs in the payment of interest on any Interest Payment Date in respect of the Most Senior Class of Notes (and such default is not remedied within five Business Days of its occurrence);	
	(c)	the Issuer defaults in the payment of principal on the Most Senior Class of Notes when due, and such default continues for a period of 7 Business Days;	
	(d)	the Issuer defaults in the payment of principal on any Class of Notes on the Legal Maturity Date;	
	(e)	the Issuer fails to perform or observe any of its other material obligations under the Conditions or the Transaction Documents and such failure continues for a period of 30 calendar days following written notice from the Note Trustee or any other Secured Creditors (except in any case where the Note Trustee, in its absolute discretion, considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required); or	
	(f)	the Deed of Charge (or any security interest purported to be created thereunder) shall, for any reason, cease to be in full force and effect or be declared to be null and void, or the validity or	

	enforceability thereof shall be contested by the Issuer or the Issuer shall deny that it has any or further liability or obligation under the Deed of Charge (or with respect thereto).	
Cash Manager Termination Events	The occurrence of any of the following in relation to the Cash Manager: (a) the Cash Manager fails to instruct a deposit or a payment when such instruction is required to be made by the Cash Manager under the Cash Management Agreement (subject to there being sufficient funds in the relevant Issuer Account for such purpose) and such failure remains unremedied for three Business Days (where capable of remedy) following the Cash Manager having actual knowledge of, or being notified in writing of, such failure; (b) a default is made by the Cash Manager in the performance or observance of any of its other covenants and obligations under the Cash Management Agreement which, in the opinion of the Security Trustee, is materially prejudicial to the interests of the Secured Creditors and such default continues unremedied for a period of 30 Business Days after the earlier of the Cash Manager becoming aware of such default (where capable of remedy) and receipt by the Cash Manager of written notice from the	Following the occurrence of a Cash Manager Termination Event the Issuer may (with the prior consent of the Servicer (except where a Servicer Termination Event has occurred) such consent not to be unreasonably withheld) terminate the appointment of the Cash Manager under the Cash Management Agreement. Pursuant to the terms of the Cash Management Agreement and the Servicing Agreement, the Back-Up Facilitator will facilitate the appointment of a suitable entity with all necessary facilities available to act as a replacement cash manager and will use reasonable efforts to ensure that such entity enters into a replacement cash management agreement, the terms of which are similar to the Cash Management Agreement. Further at any time, the Cash Manager may also resign its appointment on no less than six months' written notice to, among others, the Issuer and the Security Trustee and the Note Trustee with a copy being sent to the Rating Agencies provided that such resignation shall not take effect until a Replacement Cash Manager that has been approved by the Servicer (and consented to by the Security Trustee) has been appointed in its place and the

		Issuer or the Security Trustee, as applicable, requiring the same to be remedied (where capable of remedy);	replacement has no adverse effect on the then current ratings of the Class A Notes or cause any Rating Agency Event to occur.
	(c)	it is or will become unlawful for the Cash Manager to perform or comply with any of its obligations under the Cash Management Agreement;	If the Cash Manager's appointment is terminated, the Issuer shall identify a suitable entity to act as a Replacement Cash Manager.
	(d)	the Cash Manager ceases or threatens to cease business;	
	(e)	a Force Majeure Event continues in relation to the Cash Manager for more than 10 Business Days; or	
	(f)	an Insolvency Event occurs in respect of the Cash Manager.	

LEGAL AND REGULATORY CONSIDERATIONS

Transparency requirements

Various parties to the transaction are subject to the requirements of the UK Securitisation Regulation. The UK Securitisation Regulation applies to the Notes. The Issuer and TFSUK (as a SSPE and originator, respectively, for the purposes of the UK Securitisation Regulation) have agreed to comply with the relevant provisions of the EU Securitisation Regulation strictly on a contractual basis pursuant to the terms of the relevant Transaction Documents and have agreed to procure certain information pursuant to the Transaction Documents as if the EU Securitisation Regulation applied to the transaction.

Under the UK Securitisation Regulation, the originator, sponsor and securitisation special purpose entity of a securitisation are required to designate one amongst them as the "**reporting entity**" to fulfil the reporting requirements in Article 7 of the UK Securitisation Regulation. Pursuant to the Cash Management Agreement, TFSUK and the Issuer have designated the Issuer as the reporting entity for the purposes of the Transaction.

Under Article 7 of the UK Securitisation Regulation, certain Transaction Documents and the Prospectus are required to be made available to investors before pricing. Under Article 5(1)(e) of the EU Securitisation Regulation, institutional investors are required to verify that the originator or issuer has, where applicable, made available the information required by Article 7 of the EU Securitisation Regulation. It is not possible to make final documentation available before pricing and so TFSUK as Servicer (acting on behalf of the Seller), has made draft documentation available in substantially final form (which may be subject to change following pricing) by way of the EuroABS Portal (https://www.euroabs.com/IH.aspx?d=22817). The final form of such Transaction Documents will be available on and after the Closing Date. This website and its contents do not form part of this Prospectus.

Article 7 of the UK Securitisation Regulation also includes ongoing reporting obligations to holders of a securitisation position, to the relevant competent authorities and, upon request, to potential investors which include portfolio level disclosure and investor reports (each of which are required to be made available on a no less than quarterly basis), any inside information relating to the securitisation that the reporting entity is obliged to make public under the UK Market Abuse Regulation or the EU Market Abuse Regulation and, where applicable, information on "significant events" (each of which are required to be made available without delay). Under Article 5(1)(e) of the EU Securitisation Regulation, institutional investors are required to verify that the originator or issuer has, where applicable, made available the information required by Article 7 of the EU Securitisation Regulation. The loan reports and the investor reports are to be made available simultaneously on a no less than quarterly basis and at the latest one month after each Interest Payment Date. Disclosures relating to any inside information or significant events are required to be made available "without delay". The UK STS Notification to the FCA is to be made on pricing (in the case of the UK STS Notification in a draft form) and the final UK STS Notification is required to be made on the Closing Date.

Any failure by the Issuer, as the reporting entity, or by TFSUK (to the extent either of them is required to provide the relevant information) to fulfil the transparency requirements applicable to them or covenants relating thereto may cause the transaction to be non-compliant with the UK Securitisation Regulation and the EU Securitisation Regulation.

Simple, transparent and standardised securitisation *Please refer to the section entitled "RISK FACTORS – Regulatory Risks – Simple, transparent and standardised securitisations" for further details.*

Underlying Agreements regulated by the Consumer Credit Act 1974 (as amended)

Regulatory framework

The regulatory framework for consumer credit activities in the UK consists of the Financial Services and Markets Act 2000 ("**FSMA**") and its secondary legislation, including the Financial Services and Markets Act (Regulated Activities) Order 2001 (the "**RAO**"), retained provisions in the Consumer Credit Act 1974, as amended by the Consumer Credit Act 2006, and its retained associated secondary legislation (the "**CCA**"), and rules and guidance in the FCA Handbook, including the Consumer Credit sourcebook ("**CONC**"). Article 60B of the RAO defines a regulated credit agreement as an agreement between an individual (which includes certain small partnerships and certain unincorporated associations) ("**A**") and any other person ("**B**") under which B provides A with credit of any amount and which is not an exempt agreement under articles 60C to 60HA of the RAO.

The application of the CCA to the Regulated Underlying Agreements will have several consequences including the following:

(a) *Authorisation and Origination*

TFSUK has to comply with authorisation and permission requirements and the credit agreement must comply with origination requirements. If they do not comply with those requirements and the credit agreement was made on or after 6 April 2007, then it is unenforceable against the Obligor: (a) without an order of the FCA or the court (depending on the facts), if TFSUK or any credit broker (such as a Dealer) did not hold the required licence or authorisation and permission 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 Obligor and any culpability by the lender.

(b) *Right to Withdraw*

The Obligor has a right to withdraw from the credit agreement (subject to certain exceptions). The Obligor 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 Obligor receives notice that the agreement has been executed in accordance with sections 66A(3)(c) and 61A(3) of the CCA). If the Obligor withdraws, then: (a) the Obligor is liable to repay to TFSUK any credit provided and the interest accrued on it; and (b) the Obligor is not liable to pay TFSUK any compensation, fees or charges except any non-returnable charges paid by TFSUK to a public administrative body.

(c) *Variation and Provision of Information*

TFSUK or any successor Servicer (as applicable) must comply with specific requirements regarding variation of the relevant credit agreement and the provision of certain information in relation to the relevant credit agreement. Failure to comply with such requirements could result in the credit agreement being unenforceable against the Obligor in certain circumstances.

(d) *Voluntary Terminations*

At any time before the last payment falls due in respect of the Regulated Underlying Agreement, the Obligor may, pursuant to sections 99 and 100 of the

CCA, terminate the agreement by giving notice, where they wish to return the Vehicle. Obligors do not have to state a reason for exercising their rights. Generally Obligors may take advantage of the right of voluntary termination when they are in financial difficulty, or when the residual value of the vehicle on part-exchange is less than the amount that would be payable on early settlement. On and upon notification the Obligor must return the Vehicle, at their own expense, to an address as reasonably required by TFSUK, together with everything supplied with the Vehicle.

In such a case TFSUK is entitled to:

(i) all arrears of payments due and damages incurred for any other breach of the Regulated Underlying Agreement by the Obligor prior to such termination;

(ii) the amount (if any) required to bring the sum of all payments made and to be made by the Obligor for the goods up to one-half of the total amount payable for the goods (including any deposit);

(iii) possession of the relevant Vehicle subject to the Regulated Underlying Agreement being terminated; and

(iv) any other sums due but unpaid by the Obligor under the Regulated Underlying Agreement.

Following the Voluntary Termination of an Underlying Agreement, TFSUK will take possession of the relevant Vehicle and will sell such Vehicle in accordance with the Credit and Collection Procedures. The proceeds from the sale of the Vehicle do not change the amounts owed by the Obligor under paragraphs (i), (ii) and (iv) above. TFSUK will apply any proceeds from the sale of the Vehicle (net of the sale costs) to reduce the difference between the Obligor's liability under paragraphs (i), (ii) and (iv) above and the total amount payable under the Regulated Underlying Agreement. Any shortfall thereafter will be written off (and any surplus will be for the benefit of TFSUK).

(e) *Early Settlement of Regulated Underlying Agreements*

Each Obligor is entitled to terminate the credit agreement, and to keep the goods financed by the credit agreement, by giving notice and paying TFSUK the amount payable on early settlement. The amount payable by the Obligor on early settlement of the credit agreement (whether on such termination by the Obligor, or on termination by TFSUK for repudiatory breach by the Obligor (see sub-paragraph (f) below), or otherwise) is restricted under the CCA. Further, the Consumer Credit (Early Settlement) Regulations 2004 (the "**Early Settlement Regulations**") provide for an Obligor to be entitled to a rebate from TFSUK in certain circumstances on early settlement. Obligors may also make partial early repayments at any time, subject to taking certain steps outlined in section 94 of the CCA. The provisions in relation to partial early settlement are largely the same as for full early settlement.

(f) *Termination of Regulated Underlying Agreements*

TFSUK has the right to terminate the Regulated Underlying Agreement in the event of an unremedied material breach of the agreement by the Obligor. In such case TFSUK is entitled to repossess the Vehicle and recover either:

(i) all arrears of payments due and damages incurred for any breach of the Regulated Underlying Agreement by the Obligor prior to such termination;

(ii) all TFSUK's expenses of recovering or trying to recover the Vehicle, storing it and tracing the Obligor and any shortfall relating to the sale or other disposal of the Vehicle (including all expenses of sale);

(iii) any other sums due but unpaid by the Obligor under the Regulated Underlying Agreement less a rebate calculated pursuant to the provisions of the Early Settlement Regulations (see sub-paragraph (e) above); or

(iv) such lesser amount as a court considers will compensate TFSUK for its loss.

However, where the Obligor has paid at least one-third of the total amount payable, the Vehicle becomes "protected" under the CCA with the consequences described in "*Protected Goods*" below.

Court decisions have conflicted on whether the amount payable by the obligors on termination by the lender (for example, for repudiatory breach by the Obligor) is restricted to the amount calculated by the one-half formula for termination by the Obligor. The Underlying Agreements provide that the amount payable by the Obligor on termination by TFSUK is an amount comprising the outstanding balance of the total amount payable under the Underlying Agreement, any overdue repayments on the date of termination, plus any other sums due to TFSUK under the Underlying Agreement, any sums due to make good any failure of the Obligor to take reasonable care of the vehicle, TFSUK’s expenses in connection with vehicle recovery (including attempts), storage and tracing the Obligor, and any interest due on the aforementioned sums. TFSUK have confirmed that the amounts required to be paid by the Obligors pursuant to the above will be reduced by any proceeds of sale of the Vehicle.

(g) *Power to grant relief*

The court has power to give relief to the Obligor. For example, the court may: (a) make a time order, giving the Obligor time to pay arrears or to remedy any other breach; (b) impose conditions on, or suspend, any order made by the court in relation to the credit agreement; and (c) amend the credit agreement in consequence of a term of an order made by the court under the CCA.

(h) *Bona fide purchaser*

A disposition of the Vehicle by the Obligor to a bona fide private purchaser without notice of the Underlying Agreement will transfer to the purchaser TFSUK's title to the Vehicle.

(i) *Enforcement of improperly executed or modified Regulated Underlying Agreements*

If a Regulated Underlying Agreement has been "improperly executed" (as such term is used in the CCA) or improperly modified in accordance with the provisions of the CCA, it may be unenforceable unless a court order has been obtained. A Regulated Underlying Agreement may be completely unenforceable in circumstances where (i) there is no Regulated Underlying Agreement signed by the Obligor; and/or (ii) the form and content of certain prescribed pre-contract

information and the agreement do not conform to the relevant detailed provisions of the CCA.

(j) *"Unfair relationship"*

The court has power under section 140A of the CCA to determine that the relationship between a lender and a customer arising out of the credit agreement (whether alone or with any related agreement) is unfair to the customer. If the court makes the determination, then it may make an order, among other things, requiring the lender, or any assignee such as the Issuer, to repay any sum paid by the Obligor. In deciding whether to make the determination, the courts are able to consider a wider range of circumstances surrounding the transaction, including the lender's conduct before and after making the agreement. There is no statutory definition of "unfair" as the intention is for the test to be flexible and subject to judicial discretion. The Supreme Court has given general guidance in respect of unfair relationships in Plevin v Paragon Personal Finance Ltd [2014] 1 WLR 4222. Whilst the court acknowledged that it is not possible to state a precise or universal test for an unfair relationship, which must depend on the court's judgment of all the relevant facts, the court did give the guidance on the nature of the test which should be applied. The Supreme Court acknowledged that what must be unfair is the relationship between the customer and the lender. Although the court is concerned with hardship to the customer, there may be features which operate harshly against the customer but it does not necessarily follow that the relationship is unfair because the features in question may be required in order to protect a legitimate interest of the lender. The FCA principles are also relevant and apply to the way contract terms are used in practice and not just the way they are drafted. Once an obligor alleges that an unfair relationship exists, the burden of proof is on the lender to prove the contrary.

(k) *Financial Ombudsman Service*

The Financial Ombudsman Service is an out-of-court dispute resolution scheme with jurisdiction to determine complaints against authorised persons under the FSMA relating to conduct in the course of specified regulated activities including in relation to consumer credit.

Under FSMA, the Financial Ombudsman Service is required to make decisions on, among others, complaints relating to the terms in agreements on the basis of what, in the Ombudsman's opinion, would be fair and reasonable in all the circumstances of the case, taking into account, among others, law and guidance. Complaints brought before the Financial Ombudsman Service for consideration must be decided on a case-by-case basis, with reference to the particular facts of any individual case. Each case would first be adjudicated by an adjudicator. Either party to the case may appeal against the adjudication. In the event of an appeal, the case proceeds to a final decision by the Ombudsman. The Financial Ombudsman Service may order a money award to an Obligor, which may adversely affect the value at which the Underlying Agreements in the Purchased Receivables could be realised and accordingly the ability of the Issuer to meet its obligations under the Notes. From 1 April 2023, the compensation limit for complaints referred to the Financial Ombudsman's Service on or after 1 April 2023 is £415,000 where the complaint relates to an act or omission arising on or after 1 April 2019 and £190,000 for complaints relating to acts or omissions arising before that date. It is not possible to predict how any future decision of the Financial Ombudsman Service would affect the Issuer's ability to make payments in full

when due on the Notes. The jurisdiction of the Financial Ombudsman Service has applied since 6 April 2007.

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

An Obligor who is a private person may be entitled to claim damages for loss suffered as a result of any contravention by an FCA authorised person of a rule under the FSMA. From 1 April 2014, such rules include rules in CONC, which transposes certain requirements previously made under the CCA and in the Office of Fair Training (the "**OFT**") guidance. The Obligor may set off the amount of the claim for contravention of CONC against the amount owing under the Regulated Underlying Agreement or any other credit agreement they have taken with the authorised person (or exercise analogous rights in Scotland).

(m) *Enforcement action by the FCA*

The FCA has a broad range of enforcement powers under the FSMA which it can take against authorised firms where the firm breaches a requirement of the FSMA. These powers include the ability to order restitution under Section 382 of FSMA and to implement consumer redress schemes under Section 404 of FSMA.

(n) *Servicing Requirements*

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

(o) *Interpretation of technical rules*

TFSUK 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 may be unenforceable, as described above. Court decisions have been made on technical rules under the CCA against certain lenders, but such decisions are very few and are generally county court decisions which are not binding on other courts. Where agreements are unenforceable without a court order due to minor documentary defects, lenders have historically pursued such debts as though they are simply enforceable, until such time as those defects were raised by the obligor and/or the court in any claim. To mitigate the risks associated with this approach, lenders currently rely on the decision in McGuffick v Royal Bank of Scotland [2010] 1 All ER 634, in which the High Court ruled that, in relation to agreements which were unenforceable by reason of failures to provide copies under sections 77 and 78 of the CCA, steps which fell short of obtaining a court judgment against the obligor were not "enforcement" within the meaning of the CCA.

(p) *Liability for misrepresentations and breach of contract – Regulated Underlying Agreements*

The lender is liable to the customer for pre-contractual statements to the Obligor 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 Underlying Agreement. This liability arises in relation to the Vehicle, and applies for example, to the Dealer's promise to the Obligor 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 regulated consumer credit contract, then the Obligor is entitled to, amongst other things, rescind the contract and return the goods, and to treat the contract as repudiated by TFSUK 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 Obligor under the contract and damages such as the cost of hiring an alternative vehicle. The Obligor may set-off the amount of any such money claim against the amount owing by the Obligor under the credit agreement or any other credit agreement he has taken with TFSUK (or exercise analogous rights in Scotland). In such events TFSUK would normally have a claim against the Dealer for breach of its operating agreement with TFSUK.

Obligors acting for purposes that are wholly or mainly outside that Obligor's trade, business, craft or profession) are protected under the Consumer Rights Act 2015 (the "**CRA15**"). This includes a statutory right that the goods should be of satisfactory quality, fit for their intended purpose and as described.

Under the standard form of Dealer operating agreement and offer and warranty with TFSUK, the Dealer gives a corresponding warranty to TFSUK that the Vehicle is of satisfactory quality and in the above circumstances TFSUK would normally have a claim against the Dealer for any losses incurred by TFSUK as a result of a breach of such warranty.

In addition, TFSUK may incur liability for misrepresentation. Section 75 of the CCA allows the Obligor to claim for misrepresentation or breach of contract directly against TFSUK if the value of the supplied product is equal to or more than £100 but not more than £30,000. In the event of a claim TFSUK has the protection of a statutory indemnity against the supplier of the product. Furthermore, under the standard form of Dealer operating agreement and offer and warranty with TFSUK, the Dealer provides an indemnity in favour of TFSUK in respect of any liability arising in connection with any claim made by an Obligor for any defect, mis-selling, or failure in the construction, state, condition, performance.

(q) *Protected Goods*

If, under a Regulated Underlying Agreement, the Obligor has paid TFSUK one-third or more of the total amount payable under the relevant Regulated Underlying Agreement , the Vehicle becomes "protected" pursuant to section 90 of the CCA and TFSUK is not entitled to repossess it, unless TFSUK first obtains an order from the court to this effect. If, however, the Obligor terminates the Regulated Underlying Agreement, the Vehicle ceases to be "protected" and TFSUK may effect repossession unless the court grants the Obligor a "time order" rescheduling the Obligor's outstanding liabilities under the Regulated Underlying

Agreement, or otherwise exercises any other discretion which it may have under the CCA.

Other Risks Resulting from Consumer Legislation

(r) *The CRA15*

The CRA15 applies in relation to the Underlying Agreements involving consumers (meaning an individual acting for purposes that are wholly or mainly outside that individual's trade, business, craft or profession). An Obligor may challenge a term in a consumer contract on the basis that it is "unfair" within the meaning of the CRA15 and therefore not binding on the Obligor. 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 shall be regarded as unfair if, contrary to the requirement of good faith, it causes a significant imbalance in the parties' rights and obligations arising under the contract to the detriment of the consumer. The CRA15 also applies substantially the same test of fairness to consumer notices and generally refers to term and notices interchangeably. It should be noted that there is no strict definition as to what will constitute an "unfair" term, although Schedule 2 to the CRA15 provides a (non-exhaustive) "grey list" of terms that may potentially be deemed to be unfair. 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.

A term of 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 the term 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. A trader must also ensure that the term is sufficiently prominent. The Competition and Markets Authority (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.

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. Where a term in a consumer contract is susceptible of different meanings, the meaning most favourable to the consumer will prevail. In a shift from the old regime, under the CRA15 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 CMA is the UK's national competition and consumer authority and therefore the principal enforcer of the CRA15. However, the CMA and FCA concurrently supervise unfair terms under the CRA15. There is a Memorandum of Understanding dated July 2019 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 CRA15 in financial services contracts entered into by authorised firms or appointed representatives and take action where appropriate.

Ultimately, only a court can decide whether a term is fair; however, it will take into account any relevant guidance published by the CMA or the FCA. The FCA has recently published guidance (FG18/7 "Fairness of variation terms in financial services consumer contracts under the Consumer Rights Act 2015") on how it interprets the CRA15 in respect of variation clauses. This guidance places significant emphasis on transparency, and the need for consumers to be able to foresee the nature of possible changes and the reasons for making them, in light of recent European case law. It also provides a list of factors that the FCA considers relevant to any assessment of fairness. The FCA will also consider the terms of agreements, and how the terms are applied in light of their "Treating Customers Fairly" principle. In particular, they will look at whether satisfactory outcomes have been achieved for customers.

CRA15 contains protections for conditional sale and hire purchase agreements whereby a customer may in certain circumstances rescind the contract and return goods for certain breaches (including of terms implied by the CRA as to title, description and quality or fitness of goods).

(s) *Consumer Protection from Unfair Trading Regulations*

The Consumer Protection from Unfair Trading Regulations 2008 (the "**Consumer Protection Regulations**") prohibit unfair, aggressive and misleading business-to-consumer commercial practices before, during and after a consumer contract is made. The Consumer Protection Regulations do not currently give any claim, defence or right of set-off to an individual consumer. Breach of the Consumer Protection Regulations 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 Consumer Protection Regulations (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 Consumer Protection Regulations have been incorporated into the Digital Markets, Competition and Consumers Bill which is currently passing through Parliament. The bill provides ministers with regulation making powers to amend the list of automatically unfair practices set out in Schedule 18 of the bill. The UK government issued a consultation paper in September 2023 seeking views on practices which should be added to Schedule 18 and also seeking input on extending the private right of action to other elements of the Consumer Protection Regulations, including misleading omissions, breaches of professional diligence and the listed automatically unfair practices.

The Consumer Protection Regulations require the CMA and local trading standards authorities to enforce the Consumer Protection Regulations by prosecution or by seeking an enforcement order to prevent a business from carrying on unfair practices. In addition, the FCA addresses unfair practices in its regulation of consumer finance.

(t) *The Woolard Review*

In September 2020 the FCA's Board asked Christopher Woolard to conduct a review into change and innovation in the unsecured consumer credit market (the "**Woolard Review**"). The FCA published the findings from the Woolard Review on 2 February 2021 which include a number of recommendations including:

(i) to address issues relating to debt advice, including to work with government and other agencies to ensure there is a long-term strategy to meet expected increased demand for debt advice, to ensure that suitable debt solutions are available to people in financial difficulty and to actively support efforts to ensure sustainable funding for free debt advice; and

(ii) in the context of credit information, the need to assess if the credit information market is enabling consumers to use credit responsibly to build their credit score and access more options, to consider introducing a mandatory reporting requirement, to consider introducing rules requiring creditors to report to courts upon full or partial satisfaction of county court judgements, and to identify and address barriers to use of open banking data.

In December 2022, HM Treasury published a consultation paper in relation to reform of the CCA which, amongst other things, considers whether the expansion of FCA rule-making powers is possible or desirable to enable the transfer of the remaining provisions out of the CCA.

(u) *FCA Finalised Guidance on Vulnerable Consumers*

On 23 February 2021, the FCA published finalised guidance for firms on the fair treatment of vulnerable consumers (FG 21/1) (the "**VC Guidance**"). This publication follows on from the FCA's previous work on this topic. While the guidance does not change the existing definition of a vulnerable customer, it outlines the FCA's expectations on how firms can comply with the Principles for Businesses and the overarching requirement to treat vulnerable customers fairly. In particular, the finalised guidance sets out the FCA's expectations on the following:

(i) Understanding the nature and scale of characteristics of vulnerability in target markets and customer base and the impact of vulnerability on consumers' needs.

(ii) Embedding the fair treatment of vulnerable consumers across the workforce and ensuring that frontline staff have the necessary skills and capability to recognise vulnerability.

(iii) Meeting customers' needs through the design of products and services, their customer services and their communications.

(iv) Implementing processes to evaluate where vulnerable consumers' needs are not met.

The FCA published a "Dear CEO" letter on 16 June 2022 entitled "The rising cost of living – acting now to support consumers", reminding firms of the requirement to treat borrowers fairly in accordance with existing principles, rules and guidance (including the VC Guidance). In December 2022, the FCA published its report into Borrowers in Financial Difficulty and followed this up in May 2023 with a consultation which proposes amendments to the FCA Handbook (the FCA has stated that it does not propose to transfer parts of the TSG into the FCA Handbook which are not relevant outside the context of the pandemic) to strengthen the protections for borrowers in financial difficulty. The proposals include incorporate aspects of the existing FCA guidance introduced during the Covid-19 pandemic into the FCA Handbook and to support firms acting to deliver good outcomes for customers as required by the Consumer Duty principles.

All FCA firms dealing with consumers are expected to comply with this guidance and firms can expect to be asked to demonstrate to the FCA how they have complied with the guidance. The guidance may also be relevant to enforcement cases and may be used by the FCA to determine whether a firm's conduct fell below the standards the Principles for Businesses require.

For the risks associated with the above regulatory considerations, please refer to the section entitled "*RISK FACTORS – Underlying Agreements regulated by the Consumer Credit Act 1974 (as amended)*".

Volcker Rule

The Dodd-Frank Act has been implemented in part and continues to be implemented by federal regulatory agencies, including the SEC, the Commodity Futures Trading Commission (the **CFTC**), the Federal Deposit Insurance Corporation, and the United States Federal Reserve Board. Dodd-Frank Act reforms include heightened consumer protection, revised regulation of over-the-counter derivatives markets, restrictions on proprietary trading and the ownership and sponsorship of private investment funds by banks and their affiliates under the Volcker Rule, imposition of heightened prudential standards, and broader application of leverage and risk-based capital requirements.

The Dodd-Frank Act significantly expands the coverage and scope of regulations that limit affiliate transactions within a banking organisation, including coverage of the credit exposure on derivatives transactions, repurchase and reverse repurchase agreements and securities borrowing and lending transactions. In particular, Section 619 of the Dodd-Frank Act added a new section 13 to the Bank Holding Company Act of 1956, commonly referred to as the "Volcker Rule". The Volcker Rule and its related regulations generally prohibit "banking entities" broadly defined to include U.S. banks, bank holding companies and foreign banking organisations, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading in financial instruments, (ii) acquiring or retaining any "ownership interest" in, or in "sponsoring", a "covered fund" and (iii) entering into certain transactions with such funds subject to certain exemptions and exclusions.

An "ownership interest" is defined widely and may arise through a holder's exposure to the profits and losses of the "covered fund", as well as through certain rights of the holder to participate in the selection or removal of an investment advisor, investment manager, or general partner, trustee, or member of the board of directors of the "covered. fund". A "covered fund" is defined widely, and includes any issuer which would be an investment company under the Investment Company Act but is exempt from registration solely in reliance on section 3(c)(1) or 3(c)(7) of the Investment Company Act, subject to certain exemptions found in the Volcker Rule's implementing regulations.

The Issuer is of the view that it is not a "covered fund" within the meaning of the Volcker Rule. If, however, the Issuer were deemed to be a "covered fund" and the Notes were deemed to constitute an "ownership interest" in the Issuer, the Volcker Rule and its related regulatory provisions, will restrict the ability of "banking entities" to hold an "ownership interest" in the Issuer or enter into certain credit related financial transactions with the Issuer.

There is limited interpretive guidance regarding the Volcker Rule, and its implementing regulations. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in the Notes should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each investor must determine for itself whether it is a "banking entity" subject to regulation under the Volcker Rule. None of the Issuer, the Co-Arrangers, the

Joint Lead Managers or the Note Trustee makes any representation regarding (i) the status of the Issuer under the Volcker Rule or (ii) the ability of any purchaser to acquire or hold the Notes, now or at any time in the future.

Any prospective investor in any notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding the effects of the Volcker Rule in respect of any investment in the Notes and should conduct its own analysis to determine whether the Issuer is a "covered fund" for its purposes.

Regulators in the United States may promulgate further regulatory changes, and no assurance can be given as to the impact of such changes on the Notes.

Prospective investors should make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

RISK RETENTION AND SECURITISATION REGULATION REPORTING

Retention statement

The Seller, as originator, will retain a material net economic Interest of not less than 5 per cent. in the securitisation as required by Article 6(1) of the UK Securitisation Regulation (the "**UK Retention Requirements**"). In addition, although the EU Securitisation Regulation is not applicable to it, the Seller, as originator, will retain (on a contractual basis), a material net economic interest of not less than 5% in the securitisation in accordance with Article 6(1) of the EU Securitisation Regulation (not taking into account any relevant national measures), as if it were applicable to it (the "**EU Retention Requirements**" and, together with the UK Retention Requirements, the "**Retention Requirements**"). As at the Closing Date and while any of the Notes remain outstanding, such interest will be comprised its interest in the Class B Notes and the Subordinated Loan in accordance with Article 6(3)(d) of the UK Securitisation Regulation and Article 6(3)(d) of the EU Securitisation Regulation. Prospective investors should note that the obligation of the Seller to comply with the EU Retention Requirements is strictly contractual and the Seller has elected to comply with such requirements in its discretion.

The Seller, as originator, is responsible for compliance with Article 7 of the UK Securitisation Regulation in accordance with Article 22(5) of the UK Securitisation Regulation and Article 7 of the EU Securitisation Regulation in accordance with Article 22(5) of the EU Securitisation Regulation.

The Seller has provided an undertaking with respect to the interest to be retained by it to the Joint Lead Managers and the Co-Arrangers in the Subscription Agreement.

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

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

(a) applied the same clearly established processes for approving and, where relevant, amending, renewing and refinancing the Receivables; and

(b) effective systems in place to apply those criteria and processes in order to ensure that credit granting is based on a thorough assessment of the Obligor's creditworthiness, taking appropriate account of factors relevant to verifying the prospect of the Obligor meeting their obligations under the related Underlying Agreement.

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 Article 5 of the UK Securitisation Regulation and Article 5 of the EU Securitisation Regulation and, in the case of the EU Securitisation Regulation, any national measures which may be relevant and none of the Issuer, TFSUK (in its capacity as the Seller) nor the Co-Arrangers or the Joint Lead Managers makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes.

Reporting entity

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

For further information in relation to the provision of information, see the section entitled "*General Information*".

Reporting under the Securitisation Regulations

The Issuer (in its capacity as reporting entity for the purposes of Article 7(2) of the UK Securitisation Regulation) will procure preparation of the following, provided that the Issuer, as designated entity, has agreed to comply with the relevant provisions of the EU Securitisation Regulation strictly on a contractual basis pursuant to the terms of the relevant Transaction Documents:

(a) the UK Monthly Servicer Data Tape as required by and in accordance with Article 7(1)(a) of the UK Securitisation Regulation and the UK Article 7 Technical Standards and the EU Monthly Servicer Data Tape, as required by and in accordance with (in each case, not taking into account, any relevant national measures) Article 7(1)(a) of the EU Securitisation Regulation and the EU Article 7 Technical Standards;

(b) the UK SR Monthly Investor Report as required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation and the EU SR Monthly Investor Report as required by and in accordance with (not taking into account any national measures) Article 7(1)(e) of the EU Securitisation Regulation (which will be made available to Noteholders simultaneously with the UK Monthly Servicer Data Tape and the EU Monthly Servicer Data Tape);

(c) any UK SR Inside Information and Significant Event Report as required by and in accordance with Article 7(1)(f) and/or Article 7(1)(g) (as applicable) of the UK Securitisation Regulation and the UK Article 7 Technical Standards and any EU SR Inside Information and Significant Event Report as required by and in accordance with (not taking into account any national measures) Article 7(1)(f) and/or Article 7(1)(g) (as applicable) of the EU Securitisation Regulation and the EU Article 7 Technical Standards;

(d) copies of the relevant Transaction Documents and this Prospectus as required by and in accordance with Article 7(1)(b) of the UK Securitisation Regulation and Article 7(1)(b) of the EU Securitisation Regulation; and

(e) before pricing of the Notes in initial form and on or around the Closing Date in final form, for the purposes of compliance with Article 7(1)(d) of the UK Securitisation Regulation, it will make available the UK STS Notification referred to in Article 27 of the UK Securitisation Regulation on a securitisation repository of the EuroABS Portal.

The Issuer will procure that the Servicer will make the information set out in paragraph (a) above available no later than 5 p.m. on each Interest Payment Date, the information set out in paragraph (c) above available without delay, the information set out in paragraph (d) above available within 15 Business Days of Closing Date and the information set out in paragraph (e) above available before pricing and on or around the Closing Date in each case, to (i) the Issuer, the Seller and the Swap Provider; and (ii) the Noteholders, the competent authorities and, upon request, to potential noteholders which obligation shall

be satisfied by the Servicer emailing such information to EuroABS for EuroABS to publish such information on a securitisation repository of the EuroABS Portal.

The Issuer will procure that the Cash Manager shall make the Monthly SR Investor Reports available to the Noteholders, the competent authorities and, upon request, to potential noteholders by procuring publication of such information on a securitisation repository of the EuroABS Portal on each Interest Payment Date and the Monthly SR Investor Reports will be made available to Noteholders simultaneously with the UK Monthly Servicer Data Tape and the EU Monthly Servicer Data Tape.

Article 22(5) of the UK Securitisation Regulation

Pursuant to Article 22(5) of the UK Securitisation Regulation, the Issuer undertakes that:

(a) the information required by point (a) of the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request;

(b) the information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form;

(c) this Prospectus serves as a transaction summary or overview of the main features of the Transaction in accordance with Article 7(1)(c) of the UK Securitisation Regulation; and

(d) the final documentation shall be made available to investors at the latest no later than fifteen (15) days after closing of the Transaction.

Compliance with Article 22 of the UK Securitisation Regulation

In order to comply with the transparency requirements provided for by Article 22 of the UK Securitisation Regulation, the Seller:

(a) has made available to any potential investor in the Notes data on static historical default performance relating to the 10 year period starting on 1 January 2014 and ending on 31 March 2024 (barring in respect of "Prepayment Rate (Monthly)", in respect of which data is available for the five year period starting on 1 April 2019 and ending on 30 June 2024 (see section "*PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA*")) in respect of receivables substantially similar to the Purchased Receivables;

(b) has made available – via the EuroABS Portal – to any potential investor in the Notes, before pricing of the Notes, an accurate model representing precisely the contractual relationship between the Purchased Receivables and the payments flowing between the Seller, the Noteholders, the Issuer and any other party to the Transaction Documents which contained an amount of information sufficient to allow such potential investor to price the Notes (the "**Liability Cash Flow Model**");

(c) has undertaken to make available the Liability Cash Flow Model on an ongoing basis to the Noteholders – via the EuroABS Portal – and, upon request, to potential investors in the Notes;

(d) where available to the Seller, has undertaken to include the environmental performance of the Vehicles in the Monthly Report;

(e) has made available before pricing of the Notes, the UK Monthly Servicer Date Tape and the EU Monthly Servicer Date Tape;

(f) has made available before pricing of the Notes, the Transaction Documents (other than the Prospectus in a draft form);

(g) has made available before pricing of the Notes, a draft of the UK STS Notification;

(h) confirms that the Portfolio has been subject to an agreed upon procedures review on a sample of loans selected from the Portfolio conducted by an independent third-party on a 95% confidence level and completed on or about 23 September 2024 with respect to the Portfolio in existence as of the Initial Cut-Off Date and performed agreed upon procedures on certain Eligibility Criteria (see also the section "*PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA*"). This independent third party has also performed agreed upon procedures on the data included in the stratification tables in the section "*PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA*" in order to verify that the stratification tables disclosed in respect of the underlying exposures are accurate. The Servicer confirms no significant adverse findings have been found. Based on the review by the independent party, the Servicer confirms that to the best of its knowledge such information is accurate and in accordance with the facts and does not omit anything likely to affect its import; and

(i) will make available the Prospectus, the Transaction Documents and the UK STS Notification in final versions, within fifteen (15) days from the Closing Date.

The information set out in paragraph (e), (f), (g) and (i) above has been or will be made available (as the case may be) on the EuroABS Portal.

For more information please see the section titled "*OVERVIEW OF THE TRANSACTION DOCUMENTS – SERVICING AGREEMENT*".

DESCRIPTION OF THE NOTES WHILST IN GLOBAL FORM

Each Class of Notes will initially be issued in global registered form in an aggregate principal amount equal to the initial Aggregate Outstanding Note Principal Amount for such Class.

The Global Notes representing the Class A Notes will be held under the NSS and will be deposited with the Common Safekeeper for both Euroclear and Clearstream, Luxembourg.

The Global Notes representing the Class B Notes will be deposited with the Common Depositary for both Clearstream, Luxembourg and Euroclear in the form of a classical global note ("**CGN**").

The Registrar will maintain a register in which it will register the nominee for the Common Safekeeper or Common Depositary (as applicable) as the owner of each Global Note.

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

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment from the Paying Agent to the order of the Common Depositary, or 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. On each record date, Euroclear and Clearstream, Luxembourg will determine the identity of the Noteholders for the purposes of making payments to the Noteholders. The record date in respect of the cleared Notes shall be one Clearing System Business Day prior to the relevant Interest Payment Date, where "**Clearing System Business Day**" means a day on which each clearing system for which the cleared Notes are being held is open for business.

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

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

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

CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment, will be applicable to any notes represented by a note in global form and the Notes in definitive form issued in exchange for the Notes in global form and which will be endorsed on such notes.

The GBP 500,000,000 Class A Notes due October 2034 (the "**Class A Notes**"), the GBP 157,895,000 Class B Notes due October 2034 (the "**Class B Notes**"), together, the "**Notes**", are constituted by a trust deed (the "**Trust Deed**") dated on or about 26 September 2024 (the "**Closing Date**") between Koromo UK 1 PLC (the "**Issuer**") and CSC Trustees Limited (the "**Note Trustee**", which expression will include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined in Condition 1 (*Form, denomination and title*)).

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 the Issuer and CSC Trustees Limited (in this capacity, the "**Security Trustee**", which expression includes its permitted successors and assigns and any other person or person from time to time acting as trustee under the Deed of Charge) on certain assets of the Issuer including, without limitation, the Issuer's rights, title, interest and benefit, present and future, in, under and to all its assets including the Issuer's rights, title, interest and benefit, present and future, in, under and to certain of the Transaction Documents (as defined below) which include an agency agreement (the "**Agency Agreement**") dated on or about the Closing Date between the Issuer, the Note Trustee, Citibank, N.A., London Branch as paying agent (in such capacity, the "**Paying Agent**", which expression includes its permitted successors and assigns) and Citibank, N.A., London Branch as registrar (the "**Registrar**", which expression includes its permitted successors and assigns).

The security created under the Deed of Charge, and all further security created under such document, are together referred to as the "**Security**".

The Trust Deed, the Deed of Charge (and any document entered into pursuant thereto, including the Assignation in Security and the Issuer Power of Attorney), the corporate services agreement dated on or about the Closing Date between the Issuer, the Share Trustee, the Security Trustee and CSC Capital Markets UK Limited as corporate services provider (the "**Corporate Services Provider**", which expression includes its permitted successors and assigns) (the "**Corporate Services Agreement**"), a 2002 ISDA Master Agreement, the schedule thereto and the credit support annex thereunder (the "**Credit Support Annex**") each dated on or about 26 September 2024 and the interest rate swap confirmation between Royal Bank of Canada as swap provider (the "**Swap Provider**", which expression includes its permitted successors and assigns) and the Issuer (together, the "**Swap Agreement**"), the Agency Agreement, the Receivables Sale and Purchase Agreement (as defined below), the Servicing Agreement (as defined below), the Bank Account Agreement dated on or about the Closing Date between the Issuer, the Security Trustee and Citibank, N.A., London Branch as Account Bank (the "**Account Bank**", which expressions include its permitted successors and assigns) (the "**Bank Account Agreement**"), the cash management agreement dated on or about the Closing Date between, *inter alios*, the Issuer and Toyota Financial Services (UK) PLC, as servicer, as cash manager (the "**Cash Manager**") and as interest determination agent (the "**Interest Determination Agent**") (the "**Cash Management Agreement**"), the seller power of attorney dated on or about the Closing Date given by the Seller, the Scottish Declaration of Trust and the master definitions schedule dated on or about the Closing Date between, *inter alios*, the Issuer, the Seller, the Note Trustee and the Security Trustee (the "**Master Definitions Schedule**") are, together with the Receivables Sale and Purchase Agreement, the Redelivery Repurchase Agreement, the Servicing Agreement, the Global Notes, the Subordinated Loan Agreement, the Issuer ICSDs Agreement, these Conditions (as defined below), referred to as the "**Transaction Documents**". References to each of the

Transaction Documents are to it as from time to time modified in accordance with its provisions and any deed or other document expressed to be supplemental to it, as from time to time so modified.

Statements in these terms and conditions (the "**Conditions**") are subject to the detailed provisions of the Trust Deed, the Deed of Charge, the Agency Agreement and the other Transaction Documents, copies of which are available for inspection at the specified office for the time being of the 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, the Deed of Charge, and those applicable to them in the Agency Agreement and the other Transaction Documents.

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

The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on 17 September 2024.

1. ***Form, denomination and title***

(a) The Notes are issued in the following form:

(i) the Class A Notes are issued in registered global form in the denomination of £100,000 and integral multiples of £1,000 in excess of £100,000, up to and including £199,000; and

(ii) the Class B Notes are issued in registered global form in the denomination of £100,000 and integral multiples of £1,000 in excess of £100,000, up to and including £199,000.

(b) The Notes which are offered and sold outside the United States to non-U.S. persons in reliance on Regulation S will be represented by beneficial interests in the Global Notes.

(c) The Issuer will cause to be kept at the specified office of the Registrar a register (the "**Register**") on which will be entered the names and addresses of the Holders of the Notes and the particulars of such Notes held by them and all transfers, payments (of interest and principal), repayments, redemptions, cancellations and replacements of such Notes. In these Conditions, "**Class A Notes**" or "**Class B Notes**", means, with respect to any Note, a Global Note or a Definitive Note, as the case may be and "**Class A Noteholder**" or "**Class B Noteholder**" means the Holder of a Class A Note or Class B Note as applicable.

(d) Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Note Trustee, the Security Trustee, the Registrar and the Paying Agent (notwithstanding any notice to the contrary and whether or not it is overdue and notwithstanding any notation of ownership or writing on any Note or notice of any previous loss or theft of any Note and notwithstanding any previous transfer of such Note which may have been effected in breach of Condition 1(e) so that such transfer was void *ab initio*) may (i) for the purpose of making payment on or on account of any Note deem and treat the person (or, in the case of a joint holding, the first named person) in whose name any Global Note or Definitive Note is registered at that time in the Register (which will be conclusive evidence of such holding in the absence of manifest error, fraud or wilful default) as the absolute owner of such Note and all rights under such Note free from all encumbrances,

and will not be required to obtain further proof of such ownership or as to the identity of the registered holder of any Global Note or Definitive Note and (ii) for all other purposes deem and treat the person in whose name any Global Note or Definitive Note is registered at the relevant time in the Register as the absolute owner of and of all rights under such Note free from all encumbrances and will not be required to obtain further proof of such ownership or as to the identity of the registered holder of any Global Note or Definitive Note. Notwithstanding the above, so long as any of the Notes are represented by a Global Note, the terms "**Noteholders**" or "**Holders**" will include the persons then set out in the records of Euroclear and/or Clearstream, Luxembourg, as the holders of a particular principal amount of such Notes in units of £1,000 principal amount of Notes for all purposes other than in respect of the payment of interest and principal on such Notes, the right to which will be vested as against the Issuer solely in the holder of each Global Note in accordance with and subject to its terms.

(e) A Note is not transferable except in accordance with the restrictions described in these Conditions and in the Trust Deed and the Agency Agreement. Any sale or transfer in violation of the foregoing will be of no force and effect, will be void *ab initio*, and will not operate to transfer any rights to the transferee, notwithstanding any instructions to the contrary given by the Issuer, the Note Trustee or any intermediary. Each transferor of a Note agrees to provide notice of the transfer restrictions set out in these Conditions and in the Trust Deed to the transferee.

(f) No transfer of Notes will be valid unless entered on the Register and no transfer of Notes will be registered for a period of two Business Days immediately preceding each Interest Payment Date of any of the relevant Notes.

(g) Class A Notes and Class B Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedure for the time being of Clearstream, Luxembourg and Euroclear, as the case may be.

2. ***Status and Security***

(a) **Status**

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

(b) **Security**

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

(c) **Application of proceeds**

The Issuer will use the net proceeds of the issue of the Notes to finance the purchase from TFSUK (the "**Seller**"), of a portfolio of Receivables and their Ancillary Rights pursuant to an agreement dated on or about the Closing Date between the Seller, the Issuer, the Security Trustee and the Note Trustee (the "**Receivables Sale and Purchase Agreement**"). Pursuant to the terms of the Receivables Sale and Purchase Agreement during the Revolving Period the Issuer will also use Available Receipts in accordance with the Priority of Payments to purchase Additional Receivables as set forth in the Receivables Sale and Purchase Agreement.

The Seller will continue to administer and collect the Purchased Receivables as agent for the Issuer in its capacity as servicer ("**Servicer**", which expression includes its permitted successors and assigns) under a Servicing Agreement dated on or about the Closing Date between the Servicer, the Issuer, the Note Trustee and the Security Trustee (the "**Servicing Agreement**").

The Issuer has entered into the Swap Transaction under the Swap Agreement with the Swap Provider, under which, the following amounts will be calculated in respect of each swap calculation period: (a) an amount (the "**Issuer Swap Amount**") equal to the product of (i) the Swap Notional Amount for such swap calculation period, (ii) a fixed rate (as specified in the Swap Agreement) and (iii) the Fixed Day Count Fraction, and (b) an amount (the "**Swap Provider Swap Amount**") equal to the product of (i) the Swap Notional Amount for such swap calculation period, (ii) Swap SONIA as determined for such swap calculation period and (iii) the Floating Day Count Fraction.

Under the terms of the Swap Transaction, in respect of each swap calculation period for which Swap SONIA is not negative, a payment amount (which can be zero) will be calculated under the Swap Agreement for the swap payment date corresponding to such swap calculation period as follows:

(i) If the Issuer Swap Amount exceeds the Swap Provider Swap Amount, the Issuer will pay such excess to the Swap Provider (or such excess will be paid to the Swap Provider on the Issuer's behalf), which the Issuer will fund using payments it receives from the Receivables on each Interest Payment Date.

(ii) If the Swap Provider Swap Amount exceeds the Issuer Swap Amount, the Swap Provider will pay such excess to the Issuer.

(iii) If the Swap Provider Swap Amount is equal to the Issuer Swap Amount, neither party will make a payment to the other.

Under the terms of the Swap Transaction, in respect of each swap calculation period for which Swap SONIA is negative, a payment will be due from the Issuer to the Swap Provider on the swap payment date corresponding to such swap calculation period, in an amount equal to (a) the applicable Issuer Swap Amount, plus (b) the absolute value of the applicable Swap Provider Swap Amount. In such circumstances, the Swap Provider would not be required to make any scheduled payment to the Issuer on that swap payment date under the terms of the Swap Transaction.

If the Swap Transaction under the Swap Agreement is terminated prior to the redemption of the Class A Notes in full, a termination payment may be due from the Swap Provider to the Issuer or from the Issuer to the Swap Provider.

(d) **Pre-Acceleration Priority of Payments**

On each Interest Payment Date falling prior to the service of a Note Acceleration Notice on the Issuer by the Note Trustee, the Issuer will distribute the Available Receipts (other than the amounts referred to in paragraph (g) of that definition) on each Interest Payment Date in accordance with the following Pre-Acceleration Priority of Payments (in each case only if and to the extent that payments or provisions of higher priority have been paid in full):

(i) first, for the Issuer to retain as profit the Issuer Profit Amount on the Issuer Profit Ledger from which the Issuer will discharge its corporate income or corporation tax liability (if any);

(ii) then, *pro rata* and *pari passu*, to pay all amounts due under the Transaction Documents to the Security Trustee or to the Note Trustee or any of their Appointees under the Deed of Charge and the Trust Deed, respectively and any Receiver on account of their fees and expenses (including any legal fees and expenses), claims, costs, liabilities or any indemnity payments together with any amount in respect of VAT (if any) on those amounts as provided for under the Transaction Documents;

(iii) then, *pro rata* and *pari passu*, to pay:

(1) the Senior Expenses then due or overdue by the Issuer (excluding any amounts paid under item (ii) above);

(2) any amount due from the Issuer to EuroABS and the Rating Agencies as surveillance or monitoring fees or to the Irish Listing Agent or Euronext Dublin as fees and expenses in connection with the maintenance of the listing of the Class A Notes, together with any amount in respect of VAT (if any) on those amounts as provided for under the Transaction Documents; and

(3) any fees, costs, Taxes, expenses, indemnity payments and other amounts properly due and payable to the directors of the Issuer (properly incurred with respect to their duties), legal advisers, tax advisers or auditors of the Issuer, and any other amounts due and payable by the Issuer to third parties in connection with the Issuer's ownership of the Purchased Receivables, the Notes, the establishment, liquidation and/or dissolution of the Issuer, or any annual return, filing, registration and registered office or other company, licence or statutory fees in England (excluding any amounts expressly payable as Senior Expenses);

(iv) then, to pay all amounts (if any) due and payable to the Swap Provider under the Swap Agreement (including termination payments but excluding any Swap Subordinated Amounts);

(v) then, *pro rata* and *pari passu*, to pay the Class A Noteholders any due and payable Class A Interest Amount on the Class A Notes and, in respect of any previous Calculation Periods, any interest overdue on the Class A Notes on that Interest Payment Date;

(vi) then, prior to (and excluding) the Final Class A Interest Payment Date, to the Reserve Fund in an amount up to the amount required to make the balance of the Reserve Fund equal to the Reserve Fund Required Amount (or, if there are insufficient amounts available to do so, all amounts remaining for application under this item (vi));

(vii) then, either:

(1) during the Revolving Period, to pay (i) any Additional Purchase Price if such Interest Payment Date is an Additional Purchase Date and thereafter (ii) to credit any Excess Collection Amount to the Replenishment Ledger such that the balance standing to the credit

thereof (when aggregated with any Additional Purchase Price paid on such Interest Payment Date) is equal to the Required Replenishment Amount; or

(2) following the end of the Revolving Period, *pro rata* and *pari passu*, in payment to the Class A Noteholders of principal on the Class A Notes until the Class A Notes are redeemed in full;

(viii) then, *pro rata* and *pari passu*, to pay the Class B Noteholders any due and payable Class B Interest Amount on the Class B Notes and, in respect of any previous Calculation Periods, any Class B Interest Shortfall;

(ix) then, following the end of the Revolving Period (subject to the Class A Notes being redeemed in full), to pay *pro rata* and *pari passu* to the Class B Noteholders the Outstanding Note Principal Amount of the Class B Notes until the Class B Notes are redeemed in full;

(x) then, to pay any Swap Subordinated Amounts due and payable to the Swap Provider; and

(xi) then, to the Subordinated Lender amounts payable in respect of accrued and unpaid interest on the Subordinated Loan (including, without limitation, overdue interest);

(xii) then, following the end of the Revolving Period, to the Subordinated Lender, principal amounts until the aggregate principal amount of the Subordinated Loan has been reduced to zero; and

(xiii) then, to pay all remaining excess to the Seller as Deferred Consideration,

provided further that any Commingling Reserve Excess Amount shall be paid outside of such order of priority and directly to the Servicer pursuant to the terms of the Servicing Agreement.

(e) **Enforcement of the Security**

Following the occurrence of an Event of Default and the service of a Note Acceleration Notice in accordance with Condition 10 (*Events of Default*) below the Security will become enforceable and the Note Trustee may at its discretion direct the Security Trustee to take action to enforce the Security, and will direct the Security Trustee to take such action to enforce the Security if so directed in writing by the holders of at least 25% in Aggregate Outstanding Note Principal Amount of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes, subject in each case to the Note Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction.

The Note Trustee may at any time, at its discretion (and will do so if it has been directed in writing to do so by the holders of at least 25% in Aggregate Outstanding Note Principal Amount of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes at the relevant date), subject in each case to the Note Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction, and without notice and in such manner as it deems appropriate:

(i) take such proceedings and/or other steps as it may deem appropriate against or with respect to the Issuer or any other person to enforce its obligations under the Trust Deed, the Transaction Documents or these

Conditions and/or take any other proceedings (including lodging an appeal in any proceedings) with respect to or concerning the Issuer; and/or

(ii) exercise any of its rights under, or in connection with, the Trust Deed or any other Transaction Document; and/or

(iii) give any directions to the Security Trustee under or in connection with any Transaction Document.

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

(f) **Post-Acceleration Priority of Payments**

The Deed of Charge sets out the priority of distribution by the Security Trustee (or the Cash Manager on its behalf), following the service of a Note Acceleration Notice on the Issuer (known as the "**Post-Acceleration Priority of Payments**"), of amounts received or recovered by the Security Trustee (or a receiver appointed on its behalf).

The Security Trustee (or the Cash Manager on its behalf) will apply all amounts received or recovered following service of a Note Acceleration Notice, which shall include without limitation any funds in the Reserve Fund (other than amounts representing (i) any Excess Swap Collateral which shall be returned directly to the Swap Provider (and for the avoidance of doubt, such payment shall be without regard to the relevant Priority of Payments) and (ii) in respect of the Swap Provider, prior to the designation of an early termination date under the Swap Agreement and the resulting application of the collateral by way of netting or set-off, an amount equal to the value of all Swap Collateral (other than Excess Swap Collateral) (and any interest or distributions in respect thereof)), in the following order of priority (in each case only if and to the extent that payments or provisions of higher priority have been paid in full):

(i) first, for the Issuer to retain as profit the Issuer Profit Amount and to pay any corporate income or corporation tax liability not otherwise able to be paid from the Issuer Profit Ledger;

(ii) then, *pro rata* and *pari passu*, to pay all amounts due under the Transaction Documents to the Security Trustee or to the Note Trustee or any of their Appointees under the Deed of Charge and the Trust Deed, respectively and any Receiver on account of their fees and expenses (including any legal fees and expenses), claims, costs, liabilities or any indemnity payments together with any amount in respect of VAT (if any) on those amounts as provided for under the Transaction Documents;

(iii) then, *pro rata* and *pari passu*:

(1) to pay the Senior Expenses then due or overdue by the Issuer (excluding any amounts paid under item (ii) above);

(2) any amount due from the Issuer to EuroABS and the Rating Agencies as surveillance or monitoring fees or to the Irish Listing Agent or Euronext Dublin as fees and expenses in connection with the maintenance of the listing of the Class A Notes, together with

any amount in respect of VAT (if any) on those amounts as provided for under the Transaction Documents; and

(3) any fees, costs, Taxes, expenses, indemnity payments and other amounts properly due and payable to the directors of the Issuer (properly incurred with respect to their duties), legal advisers, tax advisers or auditors of the Issuer, and any other amounts due and payable by the Issuer to third parties in connection with the Issuer's ownership of the Purchased Receivables, the Notes, the establishment, liquidation and/or dissolution of the Issuer, or any annual return, filing, registration and registered office or other company, licence or statutory fees in England (excluding any amounts expressly payable as Senior Expenses);

(iv) then, to pay all amounts (if any) due and payable to the Swap Provider under the Swap Agreement (including termination payments but excluding any Swap Subordinated Amounts);

(v) then, *pro rata* and *pari passu*, to pay the Class A Noteholders amounts in respect of interest and principal due and payable on the Class A Notes until the Class A Notes are redeemed in full;

(vi) then, *pro rata* and *pari passu*, to pay the Class B Noteholders amounts in respect of interest and principal due and payable on the Class B Notes until the Class B Notes are redeemed in full;

(vii) then, to pay any Swap Subordinated Amounts due and payable to the Swap Provider;

(viii) then, to pay *pro rata* and *pari passu*, the Subordinated Lender amounts in respect of accrued and unpaid interest (including, without limitation, overdue interest) and principal due and payable on the Subordinated Loan until the Subordinated Loan has been reduced to zero;

(ix) any amount standing to the credit of the Commingling Reserve Ledger (not required to cover any Servicer Shortfall) to the Servicer; and

(x) then, to pay all remaining excess to the Seller as Deferred Consideration.

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

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

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

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

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

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

(iv) If the Issuer does not have sufficient Available Receipts on the relevant Interest Payment Date to meet interest payments on the Class A Notes, any shortfall will be borne first by the Class B Notes on a *pro rata* and *pari passu* basis and, if applicable, subject to deferral in accordance with Condition 6 (*Deferral of interest and subordination*).

(v) No amount of principal of the Class B Notes will become due and payable until redemption and payment in full of the Class A Notes. Principal on the Class B Notes will become due and payable to the extent there are sufficient amounts available under the Pre-Acceleration Priority of Payments.

(vi) The Trust Deed contains provisions requiring the Note Trustee to take into account the interests of the Class A Noteholders and the Class B Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise), but requiring the Note Trustee, in any such case, to take into account only the interest of:

(1) for so long as any Class A Notes remain outstanding, the Class A Noteholders if, in the opinion of the Note Trustee there is a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders; and

(2) following the redemption in full of the Class A Notes, the Class B Noteholders.

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

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

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

3. ***Covenants***

(a) So long as any of the Notes remains outstanding, the Issuer shall:

(i) comply with and perform all its obligations under the Transaction Documents and use all reasonable endeavours to procure that each party to any of the Transaction Documents complies with and performs all their respective obligations thereunder;

(ii) at all times use all reasonable endeavours to procure that a Servicer is appointed in accordance with the terms of the Servicing Agreement and that a Cash Manager is appointed in accordance with the terms of the Cash Management Agreement;

(iii) at all times procure that hedging arrangements on terms substantially similar to those in the Swap Agreement are maintained by it;

(iv) at all times ensure that its central management and control is exercised in the United Kingdom;

(v) not become part of any VAT Group;

(vi) not prejudice its eligibility for its corporation tax liability to be calculated in accordance with regulation 14 of the TSC Regulations; and

(vii) remain solely resident for tax purposes in the United Kingdom and will not be treated as a resident outside the United Kingdom by virtue of the application of section 18 of the Corporation Tax Act 2009.

(b) So long as any of the Notes remains outstanding, the Issuer will not without the prior consent of the Note Trustee, unless otherwise provided, permitted or contemplated by these Conditions or the Transaction Documents:

(i) carry on any business other than performing its functions and duties and discharging its obligations and liabilities set out in the Transaction Documents and with respect to that business will not engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or do anything except:

(1) finance, acquire, hold and dispose of the Purchased Receivables;

(2) issue, enter into, amend, exchange, repurchase or cancel the Notes;

(3) enter into, amend, consent to any variation of, or release any party from any obligation under, any of the Notes, the Transaction Documents and agreements relating or incidental to the issue and constitution of, and the granting of security for, the Notes;

(4) own and exercise its rights with respect to the Security and its interests in the Security and perform its obligations with respect to the Security and the Transaction Documents;

(5) preserve and/or exercise and/or enforce any of its rights and perform and observe its obligations under the Notes, the Transaction Documents and agreements relating or incidental to

the issue and constitution of, and the granting of security for the Notes;

(6) use any of its property or assets in the manner provided in or contemplated by the Transaction Documents; and

(7) perform any other act incidental to or necessary in connection with the above;

(ii) have any employees or own any premises;

(iii) with the exception of the Subordinated Loan Agreement, incur any financial indebtedness with respect to borrowed money or give any guarantee or indemnity in respect of any financial indebtedness or of any other obligation of any person or enter into any hedging or derivative contract except, in each case, under the Notes or pursuant to the Transaction Documents;

(iv) create or permit any mortgage, charge, pledge, lien or any encumbrance or other security interest over, any of, its assets or undertaking (other than for the avoidance of doubt, any security created pursuant to the Deed of Charge or as expressly contemplated by the Transaction Documents);

(v) permit the validity or effectiveness of or the priority of the Security created by the Deed of Charge or the priority of any security interests created or evidenced thereby to be amended, varied, terminated, postponed or discharged, or permit any person or any party to any of the Transaction Documents to which it is a party whose obligations form part of the Security to be released from such obligations;

(vi) transfer, sell, lend, use, invest, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertakings or any interest, estate, right, title or benefit therein;

(vii) pay any dividend or make any other distribution to its shareholders or issue any further shares other than payment of dividends in any accounting period which do not exceed the aggregate amount left to the Issuer after Tax (if any) is charged on the Issuer Profit Amount;

(viii) commingle its property or assets with the property or assets of any other person;

(ix) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any person;

(x) have any subsidiaries or subsidiary undertakings (each as defined in the Companies Act 2006);

(xi) have an "establishment" (as defined in the EU Insolvency Regulation, the UK Insolvency Regulation and the UNCITRAL Implementing Regulations) or take any action that will cause its "centre of main interests" (for the purposes of the EU Insolvency Regulation, the UK Insolvency Regulation and the UNCITRAL Implementing Regulations) to be located in any jurisdiction other than the United Kingdom or register as a company in any jurisdiction other than United Kingdom;

(xii) issue any shares in the Issuer (other than such shares as are in issue as at the Closing Date);

(xiii) permit any of the Transaction Documents to which it is a party to become invalid or ineffective or exercise any right to terminate any of the Transaction Documents to which it is a party;

(xiv) have an interest in any bank account other than the Issuer Accounts, open any further account for the purposes of depositing any monies it receives in connection with the Transaction Documents, unless such account is secured in favour of the Security Trustee for the benefit of the Secured Creditors;

(xv) agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party;

(xvi) permit any person or any party to any of the Transaction Documents to which it is a party to be released from its obligations;

(xvii) acquire obligations or securities of its officers or shareholders;

(xviii) amend its articles of association or any of its other constitutional documents; and

(xix) have any branch, agency, permanent establishment or any other presence or establishment for Tax purposes in any jurisdiction outside the United Kingdom.

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

4. ***Interest***

(a) **Interest calculation**

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

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

Interest will cease to accrue on each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption unless any amount due remains outstanding, in which case interest will continue to accrue on the unpaid amount of principal (as well after as before judgment) until the Relevant Date at a rate equal to SONIA as determined daily by the Interest Determination Agent in its sole discretion. Such interest will be added annually to

the overdue sum and will itself bear interest accordingly, at the rates for overnight deposits so determined.

(b) **Interest Period**

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

(c) **Interest Rate**

The Interest Rate for each Interest Period will be with respect to:

(i) each Class A Note, Compounded Daily SONIA for the relevant Interest Period plus 0.60 per cent. per annum, provided that if Compounded Daily SONIA plus the Relevant Margin for the Class A Notes is less than zero, the Interest Rate will be deemed to be zero (the "**Class A Interest Rate**"); and

(ii) each Class B Note, 5.00 per cent. per annum (the "**Class B Interest Rate**").

(d) **SONIA determination**

(i) The Interest Determination Agent will as soon as practicable on each Interest Determination Date determine the Compounded Daily SONIA for the related Interest Period.

(ii) If, in respect of any Business Day in the relevant Observation Period, the Interest Determination Agent determines that the SONIA rate is not available on the Screen or has not otherwise been published by the relevant authorised distributors, such SONIA rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant Business Day; plus (ii) the mean of the spread of the SONIA rate to the Bank Rate over the previous five days on which a SONIA rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

(iii) Notwithstanding the provisions of these Conditions, in the event the Bank of England publishes guidance as to (i) how SONIA is to be determined or (ii) any rate that is to replace SONIA, the Interest Determination Agent (acting in accordance with the instructions of the Issuer (for the avoidance of doubt no such instruction shall require the consent of the Noteholders and shall not constitute a Basic Terms Modification)) shall, to the extent that it is reasonably practicable, follow such guidance in order to determine SONIA for the purpose of the Class A Notes for so long as SONIA is not available or has not been published by the authorised distributors.

(iv) In the event that Compounded Daily SONIA cannot be determined in accordance with the foregoing provisions by the Interest Determination Agent, Compounded Daily SONIA shall be (i) that determined as at the last preceding Interest Determination Date or (ii) if there is no such preceding Interest Determination Date, the initial Compounded Daily SONIA which would have been applicable to the Class A Notes for the first Interest Period had the Class A Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the first Interest Payment Date.

(v) On the occurrence of the events described in Condition 12(b)(iii) (*Amendments and waiver*) (the "**Relevant Time**"), the Issuer (acting on the advice of the Servicer) shall, without undue delay, use commercially reasonable endeavours to propose an Alternative Benchmark Rate in accordance with Condition 12(b)(iii) (*Amendments and waiver*) (the "**Relevant Condition**"). For the avoidance of doubt, if an Alternative Benchmark Rate proposed by or on behalf of the Issuer (including any Alternative Benchmark Rate which was proposed prior to the Relevant Time pursuant to the Relevant Condition) has failed to be implemented in accordance with the Relevant Condition as a result of Noteholder objections to the modification, the Issuer shall not be obliged to propose an Alternative Benchmark Rate under this Condition 4(d).

(vi) In these Conditions (except where otherwise defined), the expression:

"**Compounded Daily SONIA**" means the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Interest Determination Agent as at the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SIA_{i-pLBD}\,x\,n_i}{365}\right)-1\right]x\,\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Period;

"$\mathbf{d_0}$" is the number of Business Days in the relevant Interest Period;

"$_i$" is a series of whole numbers from one to d_0, each representing the relevant Business Day in chronological order from, and including, the first Business Day in the relevant Interest Period;

"**LBD**" means a Business Day;

"$\mathbf{n_i}$", for any day "i", means the number of calendar days from and including such day "i" up to but excluding the following Business Day;

"**p**" means, for any Interest Period, 5 Business Days; and

"**$SONIA_{i-pLBD}$**" means, in respect of any Business Day falling in the relevant Interest Period, SONIA for the Business Day falling "p" Business Days prior to that Business Day "i".

(e) **Calculations**

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

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

(iii) If the Cash Manager does not at any time for any reason determine the Class A Interest Rate, the Class B Interest Rate or any Interest Amount for any Note in accordance with the foregoing Conditions, the Interest Determination Agent or its appointed agent will (1) determine the Class A Interest Rate and the Class B Interest Rate at such rates as, in its absolute discretion (taking into account as it will think fit the procedure described above), it will deem fair and reasonable in all the circumstances and/or (as the case may be) (2) calculate the Interest Amount for each Class of Notes in the manner specified in this Condition, and any such determination and/or calculation will be deemed to have been made by the Cash Manager.

(f) **Publication of the Interest Rate and the Interest Amounts**

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

(i) the amount of principal payable in respect of each Class A Note and each Class B Note pursuant to Condition 5 (*Redemption*) and the Interest Periods, the Class A Interest Amount and the Class B Interest Amount, pursuant to this Condition 4 (*Interest*) in accordance with the applicable Priority of Payments and subject to the Available Receipts to be paid on such Interest Payment Date;

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

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

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

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

5. ***Redemption***

(a) **Final redemption**

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

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

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

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

(i) the Issuer is unable to make payment of the full amount due on the Notes (as a direct consequence of the above events) or the cost to the Issuer of making payments on the Notes or of complying with its obligations under or in connection with the Notes would be materially increased;

(ii) the operating or administrative expenses of the Issuer would be materially increased; or

(iii) the Issuer would be obliged to make any material payment on, with respect to, or calculated by reference to, its income or any sum received or receivable by or on behalf of the Issuer from the Security or any of it,

the Issuer will promptly so inform the Note Trustee and will use its reasonable endeavours (which will not require it to incur any loss, excluding immaterial, incidental expenses) to determine within 20 calendar days of such circumstance occurring whether it would be practicable to arrange the substitution of a company incorporated in another jurisdiction approved by the Note Trustee as the principal debtor or to change its tax residence to another jurisdiction approved by the Note Trustee (provided that the Issuer will only use such reasonable endeavours to so

determine if such a substitution or change could reasonably be expected to avoid such withholding or deduction of Tax or other similar imposition). If the Issuer determines that any of such measures would be practicable, it will have a further period of 60 calendar days to effect such substitution or change of tax residence. If, however, it determines within 20 calendar days of such circumstance occurring that none of such measures would be practicable or if, having determined that any of such measures would be practicable, it is unable so to avoid such withholding or deduction of Tax or imposition within such further period of 60 calendar days, then the Issuer may, at its discretion, but will not be obliged to, at any time thereafter give not more than 60 nor less than 30 calendar days' (or such shorter period expiring on or before the latest date permitted by relevant law) irrevocable notice to the Note Trustee, the Paying Agent, the Registrar, the Swap Provider and the Noteholders, in accordance with Condition 15 (*Notices*), of its intention to redeem and of the date fixed for redemption (which must be an Interest Payment Date falling after the expiry of such notice period) and will on such date redeem all but not some only of the Notes at their Outstanding Note Principal Amounts together with accrued interest to that date, provided that prior to the publication of any such irrevocable notice of redemption, the Issuer will deliver to the Note Trustee a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred. The Note Trustee will be entitled to accept such certificate as sufficient evidence of the satisfaction of the circumstances set out above, and such certificate will be conclusive and binding on the Noteholders.

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

The Issuer will redeem the Class A Notes and the Class B Notes subject to the Available Receipts and in accordance with the Pre-Acceleration Priority of Payments.

(d) **Clean-Up Call**

(i) On any Interest Payment Date (a) following the Determination Date on which the Aggregate Discounted Receivables Balance is equal to or less than 10% of the Aggregate Discounted Receivables Balance as at the Initial Cut-Off Date or (b) on which the Class A Notes (including any interest accrued but unpaid thereon) are redeemed and repaid in full, the Seller will (provided that on the relevant Interest Payment Date no Note Acceleration Notice has been served) have the option under the Receivables Sale and Purchase Agreement (the "**Clean-Up Call**") to repurchase all Purchased Receivables then outstanding against payment of the Final Repurchase Price, subject to the following requirements (the "**Clean-Up Call Conditions**"):

(1) the Final Repurchase Price shall be the higher of:

i. the sum of the Aggregate Discounted Receivables Balance of such Final Receivables as at the Determination Date immediately preceding that Interest Payment Date and all other amounts accrued due and payable under the Underlying Agreements from which the Final Receivables derive on or prior to the relevant Determination Date, which have not been paid; and

ii. the sum of all amounts required to be paid on such Interest Payment Date in accordance with the applicable Priority of Payments (including the redemption of the Notes in full on such Interest Payment Date) other than amounts due to the Seller in respect of Deferred Consideration less any Available Receipts that would otherwise be available to be applied on such Interest Payment Date; and

(2) the Seller shall have notified the Issuer and the Note Trustee of its intention to exercise the Clean-Up Call no later than on the Reporting Date immediately preceding the Interest Payment Date upon which the such repurchase will take place.

(ii) Upon payment in full of the amounts specified in Condition 5(d)(i)(1) above to, or for the order of, the Noteholders, no Noteholders shall be entitled to receive any further payments of interest or principal.

(e) **Cancellation**

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

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

(f) **Outstanding Principal Amount**

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

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

(a) To the extent that, on any Interest Payment Date (other than the Legal Maturity Date), there are insufficient funds to pay in full amounts of interest due on any Class of Notes (other than all interest on the Most Senior Class of Notes then outstanding), the amount of shortfall in interest (the "**Class B Interest Shortfall**") will not fall due on that Interest Payment Date. Instead the Issuer will, in respect of the Class B Notes, create a provision in its accounts for the Class B Interest Shortfall on the relevant Interest Payment Date.

(b) Such Class B Interest Shortfall will accrue interest in accordance with Condition 4(c)(ii) (*Interest Rate*) for such time as it remains outstanding. Such Class B Interest Shortfall will be payable (together with such accrued interest) on the earlier of:

(i) any succeeding Interest Payment Date when such Class B Interest Shortfall and accrued interest thereon shall be paid, but only if and to the extent that, on such Interest Payment Date, there are sufficient funds available to the Issuer, after deducting amounts ranking in priority thereto in accordance with the relevant Priority of Payments; and

(ii) the date on which the Class B Notes is redeemed in full.

(c) For the avoidance of doubt, non-payment of interest for any Class of Notes (other than the Most Senior Class of Notes at the relevant time) will not constitute an Event of Default.

7. ***Payments***

(a) **Method of payment**

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

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

All payments are subject in all cases to:

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

(ii) FATCA,

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

(c) **Payments on Global Notes**

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

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

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

(e) **Appointment of Agents**

The Paying Agent and the Registrar and the Interest Determination Agent initially appointed by the Issuer are listed at the beginning of these Conditions. The Paying Agent, the Registrar and the Interest Determination Agent act solely as agents of the Issuer (unless an Event of Default has occurred or if there is a failure to make payment of any amount in respect of any Note when due or the Note Trustee shall have received any money which it proposes to pay under clause 9 (*Application of Moneys*) of the Trust Deed to the Noteholders, when such agents may be required to act as agents of the Note Trustee) and do not assume any obligation or relationship of agency or trust for or with any Noteholders. The Issuer reserves the right at any time (in accordance with the Agency Agreement and the Cash Management Agreement) to vary or terminate the appointment of the Paying Agent, the Registrar and the Interest Determination Agent and to appoint other Paying Agents, Registrars and Interest Determination Agents, provided that the Issuer will at all times maintain (i) a Registrar, (ii) an Interest Determination Agent and (iii) a Paying Agent.

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

(f) **Non-business days**

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

(g) **Limited recourse**

(i) No amounts will be payable by the Issuer except in accordance with the Priority of Payments and any payment obligations of the Issuer under the Notes may only be satisfied from the amounts received by it under or in connection with the Transaction Documents.

(ii) If the Security constituted by or pursuant to the Deed of Charge is enforced, and after payment of all other claims (if any) ranking in priority to or *pari passu* with each of the claims of the Secured Creditors under the Deed of Charge, the remaining proceeds of such enforcement are insufficient to pay in full all amounts due to each of the Secured Creditors and all other claims ranking *pari passu* to the claims of each such party, then the claims of each such party against the Issuer will be limited to their respective shares of such remaining proceeds (as determined in accordance with the provisions of the Deed of Charge) and, after payment to each such party of its respective share of such remaining proceeds, the obligations of the Issuer to each such party will be extinguished in full.

(iii) The provisions of this Condition 7(g) will survive the termination of these Conditions. In the case of discrepancy between this Condition 7(g) and any other provision, the provisions of this Condition 7(g) will prevail.

(h) **Incorrect Payment**

(i) The Issuer will, where applicable, from time to time notify Noteholders in accordance with the terms of Condition 15 (*Notices*) of any over-payment

or under-payment of which it has actual notice made on any Interest Payment Date to any party entitled to the same pursuant to the applicable Priority of Payments.

(ii) Following the giving of such a notice, the Issuer (acting on the instructions of the Servicer) shall instruct the Cash Manager to rectify such overpayment or under-payment by increasing or, as the case may be, decreasing payments to the relevant parties (including the Noteholders of any Class) on each subsequent Interest Payment Date following the date on which it has received such instruction until such over-payment or under-payment has been made in full, to the extent funds are available for such purpose. Any notice or instruction of over-payment or under-payment pursuant to this Condition 7(h) shall contain reasonable details of the amount of the same, the relevant parties and the adjustments to be made to future payments to rectify the same. Neither the Issuer, the Note Trustee, the Security Trustee nor the Cash Manager shall have any liability to any person for making any such correction.

(iii) For the avoidance of doubt, any correction carried out pursuant to this Condition 7(h) shall not constitute an Event of Default and shall not require the consent of the Noteholders or any other party.

(i) **Partial Payment**

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

(j) **Payment of Interest**

If interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Business Day), then such unpaid interest shall itself bear interest at the Interest Rate applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given in accordance with Condition 15 (*Notices*).

8. ***Taxation***

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

Notwithstanding the foregoing, if any Taxes referred to in Condition 5(b) (*Optional redemption for taxation reasons*) arise and, subject as provided in such Condition, as a result of such Tax the Issuer either (i) does not or would not have sufficient amounts to make payments due on the Notes in full or (ii) would be required to deduct any amounts from its payments on the Notes, then the amounts payable or to be paid, as the case may be, on the Notes will be proportionately reduced by an amount equal to such insufficiency

or deduction. No such reduction will constitute an Event of Default under Condition 10 (*Events of Default*).

9. ***Prescription***

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

10. ***Events of Default***

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

(a) an Insolvency Event occurs in respect of the Issuer;

(b) a default occurs in the payment of interest on any Interest Payment Date in respect of the Most Senior Class of Notes (and such default is not remedied within five Business Days of its occurrence);

(c) the Issuer defaults in the payment of principal on the Most Senior Class of Notes when due, and such default continues for a period of 7 Business Days;

(d) the Issuer defaults in the payment of principal on any Class of Notes on the Legal Maturity Date;

(e) the Issuer fails to perform or observe any of its other material obligations under these Conditions or the Transaction Documents and such failure continues for a period of 30 calendar days following written notice from the Note Trustee or any other Secured Creditors on the Issuer requiring the same to be remedied (except in any case where the Note Trustee, in its absolute discretion, considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required); or

(f) the Deed of Charge (or any security interest purported to be created thereunder) shall, for any reason, cease to be in full force and effect or be declared to be null and void, or the validity or enforceability thereof shall be contested by the Issuer or the Issuer shall deny that it has any or further liability or obligation under the Deed of Charge (or with respect thereto).

For the avoidance of doubt, a failure to pay any interest due in respect of any Class of Notes which is not, on the relevant date, the Most Senior Class of Notes shall not constitute an Event of Default other than on the Final Redemption Date.

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

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

(a) Only the Note Trustee and the Security Trustee may pursue the remedies available under the Trust Deed or the Deed of Charge, as applicable, to enforce the rights of the Secured Creditors. No other Secured Creditor is entitled to proceed against the Issuer. Neither the Note Trustee nor any Secured Creditor may take any action or has any rights against the Issuer to recover any amount still unpaid once the Security is enforced and the net proceeds thereof distributed in accordance with Condition 2 (*Status and Security*), and any such liability will be extinguished. None of the Note Trustee, the Security Trustee nor any Secured Creditor will be entitled, until the expiry of one year and one day after the Final Redemption Date, to petition or take any other step for the winding-up of the Issuer provided that the Security Trustee and the Note Trustee may prove or lodge a claim in the liquidation of the Issuer initiated by another party and provided further that the Security Trustee and the Note Trustee may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer.

(b) The Note Trustee and the Security Trustee, as the case may be, in accordance with this Condition 11 (*Enforcement and non-petition*), will (i) except as otherwise directed by the Most Senior Class of Notes acting by way of an Extraordinary Resolution at the relevant date, or (ii) in relation to the Security Trustee only in relation to amendments and waivers, except as otherwise directed by the Note Trustee, have absolute and uncontrolled discretion as to the exercise and non-exercise of all rights, powers, authorities or discretions conferred upon them by or under the Trust Deed, the Deed of Charge or any Transaction Document to which they are a party or conferred upon them by operation of law.

(c) The provisions of this Condition 11 will survive the termination of these Conditions. In the case of discrepancy between this Condition 11 and any other provision, the provisions of this Condition 11 will prevail.

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

(a) **Meetings of Noteholders**

(i) The Trust Deed contains provisions for convening separate meetings (including by way of conference call, including by use of a videoconference platform) of each of the Class A Noteholders and the Class B Noteholders to consider any matter affecting their interests, including the sanctioning by a resolution passed at a meeting convened and held in accordance with the Trust Deed by at least 75% of votes cast (an "Extraordinary Resolution") of a modification of these Conditions or the provisions of any of the Transaction Documents.

(ii) Subject as provided below, the quorum at any meeting of Noteholders of any Class of Notes for passing an Ordinary Resolution will be one or more persons holding or representing at least 20% of the Outstanding Note Principal Amount of the relevant Class of Notes then outstanding, or, at any adjourned meeting, one or more persons being or representing a Noteholder of the relevant Class, whatever the Outstanding Note Principal Amount of the Notes of such Class held or represented by it or them.

(iii) Subject as provided below, the quorum at any meeting of Noteholders of any Class of Notes for passing an Extraordinary Resolution will be one or more persons holding or representing at least 50% of the Outstanding

Note Principal Amount of the relevant Class of Notes or, at any adjourned meeting, one or more persons being or representing a Noteholder of the relevant Class, whatever the Outstanding Note Principal Amount of the Notes of such Class held or represented by them.

(iv) The quorum at any meeting of Noteholders of any Class for passing an Extraordinary Resolution to:

(1) sanction a modification of the date of maturity of Notes;

(2) sanction a modification of the date of payment of principal or interest in respect of the Notes, or where applicable, of the method of calculating the date of payment of principal or interest in respect of the Notes;

(3) sanction a modification of the amount of principal or the rate of interest payable in respect of the Notes, or where applicable, of the method of calculating the amount payable of any principal or interest in respect of the Notes (including, in relation to any Class of Notes, if any such modification is proposed for any Class of Notes ranking senior to such Class in the Priorities of Payments);

(4) alter the currency in which payments under the Notes are to be made;

(5) alter the quorum or majority required in relation to this exception;

(6) sanction any scheme or proposal for the sale, conversion or cancellation of the Notes;

(7) alter any of the provisions contained in this exception; or

(8) any change to the definition of Basic Terms Modification,

(each, a "**Basic Terms Modification**" save that a Benchmark Rate Modification shall not be a Basic Terms Modification) shall be one or more persons holding or representing at least 66⅔% of the Outstanding Note Principal Amount of the relevant Class of Notes or, at any adjourned meeting, one or more persons holding or representing at least 25% of the Outstanding Note Principal Amount of such Class.

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

(1) (subject as provided in paragraph (3) below) an Extraordinary Resolution passed at any meeting of the Most Senior Class of Notes shall be binding on all other Class of Notes, irrespective of the effect upon them;

(2) no Extraordinary Resolution of any Class of Noteholders shall be effective for any purpose unless either (A) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of any more senior ranking Classes of Noteholders, (B) it is sanctioned by an Extraordinary Resolution of each of the more

senior ranking Classes of Noteholders or (C) none of the more senior ranking Classes of Notes remains outstanding; and

(3) no Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of the other Classes of Notes then outstanding.

(vi) Subject to paragraph (vii) below:

(1) an Ordinary Resolution passed at any meeting of a particular Class of Notes shall be binding on all Noteholders of such Class or Classes (irrespective of the effect upon them); and

(2) no Ordinary Resolution of any Class of Noteholders shall be effective for any purpose unless either (A) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of any more senior ranking Classes of Noteholders or (B) it is sanctioned by an Ordinary Resolution of each of the more senior ranking Classes of Noteholders or (C) none of the more senior ranking Classes of Notes remains outstanding.

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

(b) **Amendments and waiver**

(i) The Note Trustee may, and may direct the Security Trustee to, without the consent or sanction of the Noteholders or the other Secured Creditors at any time and from time to time concur with the Issuer or any other person in making any modification:

(1) to these Conditions or any Transaction Document (excluding in relation to a Basic Terms Modification) which in the opinion of the Note Trustee will not be materially prejudicial to the interests of the Most Senior Class of Notes; or

(2) to these Conditions or any Transaction Document (including in relation to a Basic Terms Modification) if in the opinion of the Note Trustee such modification is of a formal, minor or technical nature or to correct a manifest error.

(ii) Notwithstanding the provisions of Condition 12(b)(i), the Note Trustee shall be obliged, and shall direct the Security Trustee, without any consent or sanction of the Noteholders or the other Transaction Parties, but subject to the receipt of written consent from each of the Secured Creditors party to the Transaction Document being modified, to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification) to these Conditions and/or any Transaction Document that the Issuer considers necessary or advisable or (in relation to paragraphs (1) and (2) below only) as proposed by the Swap Provider pursuant to Condition 12(b)(ii)(1)(B):

(1) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, provided that:

(A) the Issuer certifies in writing to the Note Trustee and the Security Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and

(B) in the case of any modification to a Transaction Document or these Conditions proposed by the Swap Provider in order to (x) remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):

(a) the Swap Provider certifies in writing to the Issuer and the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in paragraph (B)(x) and/or (B)(y) above;

(b) either the Swap Provider:

(i) obtains from each of the Rating Agencies a Rating Agency Confirmation and, if relevant, delivers a copy of each such confirmation to the Issuer and the Note Trustee and the Security Trustee; or

(ii) certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, qualification or withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing the Class A Notes on rating watch negative (or equivalent); and

(c) the Swap Provider pays all costs and expenses (including legal fees) incurred by the Issuer, the Note Trustee and the Security Trustee in connection with such modification;

(2) in order to enable the Issuer and/or the Swap Provider to comply with any obligation which applies to it under EU EMIR and/or UK EMIR provided that the Issuer or the Swap Provider, as appropriate, certifies to the Note Trustee and the Security Trustee and the Swap Provider or the Issuer, as applicable, in writing that such modification is required solely for the purpose of enabling it to satisfy such obligation and has been drafted solely to such effect;

(3) for the purpose of complying with any changes which are required to comply with the UK Securitisation Regulation or the EU Securitisation Regulation, or Section 15G of the Exchange Act, as added by section 941 of the Dodd-Frank Act or any other laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements in relation thereto (including the applicable reporting requirements thereunder, the appointment of a third party to assist with the reporting obligations pursuant to the UK Securitisation Regulation or the EU Securitisation Regulation or the appointment of any required securitisation repository), including as a result of the adoption of additional regulatory technical standards in relation to the UK Securitisation Regulation or the EU Securitisation Regulation, provided that the Issuer (or the Servicer on its behalf) certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

(4) for the purpose of enabling the Class A Notes to be (or to remain) listed on Euronext Dublin, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

(5) for the purposes of enabling the Issuer or any of the other Transaction Parties to comply with FATCA (or any voluntary agreement entered into with a Tax Authority in relation thereto), provided that the Issuer or the relevant Transaction Party, as applicable, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

(6) for the purpose of enabling the Issuer to open any custody account for the receipt of any collateral posted by the Swap Provider under the Swap Agreement in the form of securities, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

(7) in order to allow the Issuer to open additional accounts with an additional account bank or to move the Issuer Accounts to be held with an alternative account bank with the Required Ratings, provided that the Issuer has certified to the Note Trustee and the Security Trustee that (i) such action would not have an adverse effect on the then current ratings of the Class A Notes, and (ii) if a new account bank agreement is entered into, such agreement will be entered into on substantially the same terms as the Bank Account Agreement provided further that if the Issuer determines that it is not practicable to agree terms substantially similar to those set out in the Bank Account Agreement with such replacement financial institution or institutions and the Issuer certifies in writing to the Note Trustee and the Security Trustee that the terms upon which it is proposed the replacement bank or financial institution will be appointed are reasonable commercial terms taking into account the then prevailing current market

conditions, whereupon a replacement agreement will be entered into on such reasonable commercial terms and the Note Trustee and the Security Trustee shall be entitled to rely absolutely on such certification without any liability to any person for so doing (notwithstanding that the fee payable to the replacement account bank may be higher or other terms may differ materially from those on which the previously appointed bank or financial institution agreed to act);

(8) for so long as the Class A Notes are intended to be held in a manner which will allow for Eurosystem eligibility, for the purpose of maintaining such eligibility, provided that the Issuer (or the Servicer on its behalf) certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

(9) for the purposes of complying with any changes in the requirements (including, but not limited to, transparency and/or investor due diligence) of Regulation (EU) 2017/2401 (which amends Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms) and/or Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, and amending Regulation (EU) No 648/2012, as amended, as it forms part of domestic law of the United Kingdom by virtue of the EUWA and any implementing laws or regulations in force in the United Kingdom (together with applicable directions, secondary legislation, guidance, regulatory technical standards, implementing technical standards and related documents published by the FCA and the PRA of the United Kingdom (the "UK CRR"), provided that the Issuer (or the Servicer on its behalf) certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect, and

(10) for the purpose of complying with the UK CRA Regulation or the EU CRA Regulation after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the UK CRA Regulation or the EU CRA Regulation (as applicable) or regulations or official guidance in relation thereto, provided that the Issuer (or the Servicer on its behalf) provides a written certificate to the Note Trustee and the Security Trustee certifying that such modification is required solely for such purpose and has been drafted solely to such effect,

(any such modification pursuant to Conditions 12(b)(ii)(1) to (10) (inclusive) above being a "**Modification**" and the certificate to be provided by the Issuer, the Swap Provider or the relevant Transaction Party, as the case may be, pursuant to Conditions 12(b)(ii)(1) to (10) (inclusive) above being a "**Modification Certificate**"), provided that in the case of a Modification pursuant to Conditions 12(b)(ii)(2), (3), (5) and (7) above:

(A) at least 30 calendar days' prior written notice (or in the case of Condition 12(b)(ii)(2) only, as soon as reasonably

practicable and in any event not less than five Business Days prior to the date that such Modification is due to take effect) of any proposed Modification has been given to the Note Trustee and the Security Trustee; and

(B) the Modification Certificate in relation to such Modification shall be provided to the Note Trustee and the Security Trustee in draft form at the time the Note Trustee and the Security Trustee are notified of the proposed Modification and in final form on the date that such Modification takes effect,

and further provided that in the case of any Modification under this Condition 12(b)(ii) (other than in the case of a Modification pursuant to Conditions 12(b)(ii)(2), (3), (5) and (7) above):

(a) the Modification Certificate shall be provided to the Note Trustee and Security Trustee in draft form not less than five Business Days prior to the date on which the Modification Noteholder Notice (as defined below) is sent to Noteholders; and

(b) the Modification Certificate shall be provided to the Note Trustee and the Security Trustee in final form not less than two Business Days prior to the date on which the Modification takes effect; and

(c) a copy of the Modification Noteholder Notice (as defined below) provided to the Noteholders pursuant to Condition 12(b)(iv)(2) shall be appended to the Modification Certificate.

(iii) Notwithstanding the provisions of Conditions 12(b)(i) and 12(b)(ii) above, the Note Trustee shall be obliged, and shall direct the Security Trustee, without any consent or sanction of the Noteholders or the other Secured Creditors, but subject to the receipt of written consent from each of the Transaction Parties to the Transaction Document being modified, to concur with the Issuer in making any modification to these Conditions, and/or any Transaction Document that the Issuer considers necessary or advisable for the purpose of changing the benchmark rate in respect of the Class A Notes from SONIA (the "**Applicable Benchmark Rate**") to an alternative benchmark rate (any such rate, an "**Alternative Benchmark Rate**") and making such other amendments to these Conditions or any other Transaction Document as are necessary or advisable in the reasonable judgment of the Issuer (or the Servicer on its behalf) to facilitate the changes envisaged by this Condition 12(b)(iii) (for the avoidance of doubt, this may include changing the benchmark rate referred to in any interest rate hedging or cap agreement, for the purpose of aligning any such hedging or cap agreement with a proposed Benchmark Rate Modification pursuant to this Condition 12(b)(iii), or modifications to when the Interest Rate applicable to any Class of Notes is calculated and/or notified to Noteholders or other such consequential modifications) (a "**Benchmark Rate Modification**"), provided that the Servicer, on behalf of the Issuer, certifies to the Note Trustee and the

Security Trustee in writing (such certificate, a "**Benchmark Rate Modification Certificate**") that:

(A) such Benchmark Rate Modification is being undertaken due to any one or more of the following:

(aa) an alternative manner of calculating the Applicable Benchmark Rate being introduced and becoming a standard means of calculating interest for similar transactions;

(bb) a material disruption to the Applicable Benchmark Rate, a material change in the methodology of calculating the Applicable Benchmark Rate or the Applicable Benchmark Rate ceasing to exist or be published, or the administrator of the Applicable Benchmark Rate having used a fallback methodology for calculating the Applicable Benchmark Rate for a period of at least 30 calendar days; or

(cc) the insolvency or cessation of business of the administrator of the Applicable Benchmark Rate (in circumstances where no successor administrator has been appointed); or

(dd) a public statement by or the publication of information by or on behalf of the administrator of the Applicable Benchmark Rate announcing that it has ceased or will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Applicable Benchmark Rate) with effect from a date no later than six months after the proposed effective date of such Benchmark Rate Modification; or

(ee) a public statement or publication of information by the regulatory supervisor of the administrator of the Applicable Benchmark Rate, the Bank of England, the FCA or the PRA, an insolvency official with jurisdiction over the administrator of the Applicable Benchmark Rate, or a court or entity with similar jurisdiction or resolution authority over the administrator of the Applicable Benchmark Rate, which states that the administrator of the Applicable Benchmark Rate has ceased or will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Applicable Benchmark Rate with effect from a date no later than six months after the proposed

effective date of such Benchmark Rate Modification; or

(ff) a public statement or publication of information by the regulatory supervisor of the administrator of the Applicable Benchmark Rate, the Bank of England, the FCA or the PRA that means the Applicable Benchmark Rate will be prohibited from being used or that its use is subject to restrictions or adverse consequences with effect from a date no later than six months after the proposed effective date of such Benchmark Rate Modification; or

(gg) a change in the generally accepted market practice in the publicly listed asset backed floating rate notes market to refer to a benchmark rate endorsed in a public statement by the Bank of England, the FCA or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates, despite the continued existence of the Applicable Benchmark Rate; or

(hh) it having become unlawful and/or impossible and/or impracticable for the Interest Determination Agent, the Cash Manager or the Issuer to calculate any payments due to be made to any Noteholder using the Applicable Benchmark Rate; or

(ii) it being the reasonable expectation of the Issuer (or the Servicer on its behalf) that any of the events specified in sub-paragraphs (aa), (bb) or (gg) will occur or exist within six months of the proposed effective date of such Benchmark Rate Modification; or

(jj) the Calculation Agent makes adjustments to the Swap Agreement pursuant to the Swap Agreement and/or the Issuer and the Swap Provider agree to apply an alternative fallback (and make alternative adjustments, amendments and payments) in respect of the transaction under the Swap Agreement following the occurrence of a Benchmark Trigger Event thereunder; or

(kk) a Benchmark Rate Modification is being proposed pursuant to Condition 12(b)(viii); and

(B) such Alternative Benchmark Rate is any one or more of the following:

(aa) a benchmark rate with an equivalent term to the Applicable Benchmark Rate as published, endorsed, approved or recognised as a replacement to the Applicable Benchmark Rate by

the Bank of England, the FCA or the Prudential Regulation Authority, any regulator in the United Kingdom or the European Union, any stock exchange on which the Class A Notes are listed or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates (which, for the avoidance of doubt, may be an alternative Benchmark Rate together with a specified adjustment factor which may increase or decrease the relevant alternative Benchmark Rate); or

(bb) a benchmark rate with an equivalent term utilised in a material number of publicly-listed new issues of asset backed floating rate notes denominated in Sterling in the six months prior to the proposed effective date of such Benchmark Rate Modification; or

(cc) a base rate utilised in a publicly listed new issue of Sterling-denominated asset-backed floating rate notes where the originator of the relevant assets is TFSUK or an Affiliate thereof; or

(dd) such other benchmark rate as the Issuer (or the Servicer on its behalf) reasonably determines, provided that this option may only be used if the Issuer (or the Servicer on its behalf) certifies to the Note Trustee and the Security Trustee that, in the reasonable opinion of the Issuer (or the Servicer on its behalf), neither Condition 12(b)(iii)(B)(aa) nor Condition 12(b)(iii)(B)(bb) above is applicable and/or practicable in the context of the Transaction, and sets out the rationale in the Benchmark Rate Modification Certificate for choosing the proposed Alternative Benchmark Rate; and

(C) the same Alternative Benchmark Rate will be applied to all relevant Classes of Notes issued in the same currency; and

(D) the details of and the rationale for any Note Rate Maintenance Adjustment proposed in accordance with Condition 12(b)(iv)(2)(E) are as set out in the Modification Noteholder Notice (as defined below); and

(E) the modifications proposed are required solely for the purpose of applying the Alternative Benchmark Rate and making consequential modifications to any Transaction Document which are, as reasonably determined by the Issuer (or the Servicer on its behalf) necessary or advisable, and the modifications have been drafted solely to such effect; and

(F) the consent of each Transaction Party which is a party to the relevant Transaction Document which is being amended has been obtained (evidence of which shall be provided by the Issuer to the Note Trustee and the Security Trustee with the Benchmark Rate Modification Certificate) and no other consents are required to be obtained in relation to the Benchmark Rate Modification (for the avoidance of doubt, the consent of the Noteholders will not be required); and

(G) each of the Note Trustee, the Security Trustee, the Interest Determination Agent and the Cash Manager is satisfied that it has been, or will be, reimbursed all costs, fees and expenses (including properly incurred legal fees) incurred by it in connection with the Benchmark Rate Modification,

provided that:

(aa) the Benchmark Rate Modification Certificate shall be provided to the Note Trustee and the Security Trustee in draft form not less than five Business Days prior to the date on which the Modification Noteholder Notice (as defined below) is sent to Noteholders; and

(bb) the Benchmark Rate Modification Certificate shall be provided to the Note Trustee and the Security Trustee in final form not less than two Business Days prior to the date on which the Benchmark Rate Modification takes effect; and

(cc) a copy of the Modification Noteholder Notice (as defined below) provided to Noteholders pursuant to Condition 12(b)(iv)(2) shall be appended to the Benchmark Rate Modification Certificate,

(iv) In respect of any Benchmark Rate Modification under Condition 12(b)(iii) and any Modification under Condition 12(b)(ii) (other than in the case of a Modification pursuant to Conditions 12(b)(ii)(2), (3), (5) and (7) above), it shall also be required that:

(1) other than in the case of a Modification pursuant to Condition 12(b)(ii)(1)(B) above, either:

(A) the Issuer (or the Servicer on its behalf) obtains from each of the Rating Agencies a Rating Agency Confirmation and, if relevant, it has provided a copy of any Rating Agency Confirmation to the Note Trustee and the Security Trustee with the Modification Certificate or the Benchmark Rate Modification Certificate (as applicable); or

(B) the Issuer certifies in the Modification Certificate or the Benchmark Rate Modification Certificate (as applicable) that it has given the Rating Agencies at least 10 Business Days' prior written notice of the proposed Modification or Benchmark Rate Modification and none of the Rating

Agencies has indicated that such Modification or Benchmark Rate Modification would result in (x) a downgrade, qualification or, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing any such Class A Notes on rating watch negative (or equivalent); and

(2) the Issuer has provided written notice of the proposed Modification or Benchmark Rate Modification to the Noteholders of each Class, at least 40 calendar days' prior to the date on which it is proposed that the Modification or Benchmark Rate Modification would take effect, in accordance with Condition 15 (*Notices*) and by publication on Bloomberg on the "Company Filings" screen relating to the Notes (such notice, the "**Modification Noteholder Notice**") confirming the following:

(A) the period during which Noteholders of the Most Senior Class of Notes on the date specified to be the Modification Record Date, which shall be five Business Days from the date of the Modification Noteholder Notice (the "**Modification Record Date**"), may object to the proposed Modification or Benchmark Rate Modification (which notice period shall commence at least 40 calendar days prior to the date on which it is proposed that the Modification or Benchmark Rate Modification would take effect and continue for a period not less than 30 calendar days) and the method by which they may object; and

(B) the sub-paragraph(s) of Condition 12(b)(ii)(1) to (10) under which the Modification is being proposed or the sub-paragraph(s) of Condition 12(b)(iii)(A) under which the Benchmark Rate Modification is being proposed; and

(C) in the case of a Benchmark Rate Modification, which Alternative Benchmark Rate is proposed to be adopted pursuant to Condition 12(b)(iii)(B), and, where Condition 12(b)(iii)(B)(dd) is being applied, the rationale for choosing the proposed Alternative Benchmark Rate; and

(D) in the case of a Benchmark Rate Modification, details of any consequential modifications that the Issuer has agreed will, subject to the prior written consent of the Swap Provider (not to be unreasonably withheld), be made to the Swap Agreement for the purpose of aligning the Swap Agreement with the proposed Benchmark Rate Modification, if the proposed Benchmark Rate Modification takes effect. The Issuer shall use reasonable endeavours to agree modifications to each hedging agreement where commercially appropriate so that the Transaction is hedged following the Benchmark Rate Modification to a similar extent as prior to the Benchmark Rate Modification and that such modifications shall take effect no later than 30 calendar days from the date on which the Benchmark Rate Modification takes effect. If (i) no modifications are

proposed to be made to hedging agreements; and/or (ii) modifications will be made to hedging agreements but will not result in the Transaction being similarly hedged; and/or (iii) modifications to any hedging agreement would take effect later than 30 calendar days from the date on which the Benchmark Rate Modification takes effect, the Issuer shall set out in the Modification Noteholder Notice the rationale for this; and

(E) in the case of a Benchmark Rate Modification, details of the adjustment which the Issuer proposes to make (if any) to the margin payable on each Class of Notes which are the subject of the Benchmark Rate Modification in order to, so far as reasonably and commercially practicable, preserve what would have been the expected Interest Rate applicable to each such Class of Notes had no such Benchmark Rate Modification been effected (the "**Note Rate Maintenance Adjustment**"), provided that:

(aa) in the event that the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates has published, endorsed, approved or recognised a note rate maintenance adjustment mechanism which could be used in the context of a transition from the Applicable Benchmark Rate to the Alternative Benchmark Rate, then the Issuer shall propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the Modification Noteholder Notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the relevant Class of Notes and the proposed Benchmark Rate Modification; or

(bb) in the event that it has become generally accepted market practice in the publicly listed asset backed floating rate notes, Eurobond or swaps market to use a particular note rate maintenance adjustment mechanism in the context of a transition from the Applicable Benchmark Rate to the Alternative Benchmark Rate, then the Issuer shall propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the Modification Noteholder Notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the relevant Class of Notes and the proposed Benchmark Rate Modification; or

(cc) in the event that neither (aa) nor (bb) above apply, the Issuer shall use reasonable endeavours to

propose an alternative Note Rate Maintenance Adjustment as reasonably determined by the Issuer (or the Servicer on its behalf) and shall set out the rationale for the proposal or otherwise the Issuer shall set out in the Modification Noteholder Notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the relevant Class of Notes and the proposed Benchmark Rate Modification; and

(dd) if any Note Rate Maintenance Adjustment is proposed, the Note Rate Maintenance Adjustment applicable to each relevant Class of Notes other than the Most Senior Class of Notes shall be at least equal to that applicable to the Most Senior Class of Notes. In circumstances where the Issuer proposes a lower Note Rate Maintenance Adjustment on any relevant Class of Notes other than the Most Senior Class of Notes than that which is proposed for the Most Senior Class of Notes or another Class of Notes which ranks senior to the relevant Class of Notes to which the lower Note Rate Maintenance Adjustment is proposed to be made, the Benchmark Rate Modification will not be made unless an Extraordinary Resolution is passed in favour of such modification in accordance with this Condition 12 (*Meetings of Noteholders, amendments, waiver, substitution and exchange*) by the Noteholders of each relevant Class of Notes outstanding on the Modification Record Date to which the lower Note Rate Maintenance Adjustment is proposed to be made; and

(ee) for the avoidance of doubt, the Note Rate Maintenance Adjustment may effect an increase or a decrease to the margin or may be set at zero; and

(F) details of (i) other amendments which the Issuer proposes to make (if any) to these Conditions or any other Transaction Document and (ii) any new, supplemental or additional documents into which the Issuer proposes to enter to facilitate the changes envisaged pursuant to Condition 12(b)(ii) or 12(b)(iii);

(3) Noteholders holding or representing at least 10% of the Outstanding Note Principal Amount of the Most Senior Class of Notes outstanding on the Modification Record Date have not contacted the Issuer or the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Issuer or the Note Trustee that such Noteholders do not consent to the Modification or Benchmark Rate Modification.

If Noteholders representing at least 10% of the Outstanding Note Principal Amount of the Most Senior Class of Notes outstanding on the Modification Record Date have notified the Issuer or the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the Modification or Benchmark Rate Modification, then such Modification or Benchmark Rate Modification will not be made unless an Extraordinary Resolution of the holders of the Most Senior Class of Notes outstanding on the Modification Record Date is passed in favour of such Modification or Benchmark Rate Modification in accordance with Schedule 3 (*Provisions for Meetings of the Noteholders*) to the Trust Deed, provided that in the case of a Benchmark Rate Modification (A) in circumstances where the Issuer proposes a lower Note Rate Maintenance Adjustment on any relevant Class of Notes other than the Most Senior Class of Notes than that which is proposed for the Most Senior Class of Notes or another Class of Notes which ranks senior to the relevant Class of Notes to which the lower Note Rate Maintenance Adjustment is proposed to be made, such Extraordinary Resolution shall be passed by the holders of the Most Senior Class of Notes then outstanding and by the holders of each relevant Class of Notes then outstanding to which the lower Note Rate Maintenance Adjustment is proposed to be made, and (B) in other circumstances, such Extraordinary Resolution shall be passed by holders of the Most Senior Class of Notes then outstanding.

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

(v) Other than where specifically provided in Condition 12(b)(ii) or 12(b)(iii) or any Transaction Document:

(1) when implementing any Modification or Benchmark Rate Modification pursuant to Condition 12(b)(ii) or 12(b)(iii):

(A) (save, in respect of Modifications pursuant to Condition 12(b)(ii) only, to the extent the Note Trustee considers that the proposed Modification would constitute a Basic Terms Modification), the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely and without investigation or liability on any Modification Certificate or Benchmark Rate Modification Certificate (or other certificate or evidence provided to it by the Issuer (or the Servicer on its behalf) or the relevant Transaction Party, as the case may be, pursuant to Condition 12(b)(ii) or 12(b)(iii)) 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 or Benchmark Rate Modification is or may be materially prejudicial to the interests of any such person; and

(B) neither the Note Trustee nor the Security Trustee shall be obliged to agree to any Modification or Benchmark Rate Modification which, in its sole opinion would have the effect of (i) exposing it to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing its obligations or duties, or decreasing its rights, powers, authorisations, discretions, indemnification or protections, in the Transaction Documents and/or these Conditions.

(vi) Notwithstanding the provisions of this Condition 12, any waiver, amendment and/or modification to any Transaction Document that has the effect of:

(1) altering, whether directly or indirectly, the definitions of "Swap Collateral", "Excess Swap Collateral", "Replacement Swap Premium" and/or "Swap Tax Credit";

(2) altering paragraph 5 (*Application of amounts in respect of Swap Collateral, Excess Swap Collateral, Swap Tax Credits and Replacement Swap Premium*) of Schedule 2 (*Cash Management and Maintenance of Ledgers*) of the Cash Management Agreement;

(3) altering any definitions and/or provisions of the Transaction Documents in relation to (A) the Swap Provider's rights in relation to any security granted by the Issuer in favour of the Security Trustee or (B) the Swap Provider's rights in respect to the management of and the control over the amounts standing to the credit of the Swap Collateral Account as set out in the Transaction Documents; or

(4) altering this Condition 12(b)(vi),

shall also require the prior written consent of the Swap Provider (acting reasonably).

(vii) Any Modification or Benchmark Rate Modification shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable to:

(1) so long as any of the Class A Notes rated by the Rating Agencies remains outstanding, each Rating Agency; and

(2) the Secured Creditors; and

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

(viii) Following the making of a Benchmark Rate Modification, if it becomes generally accepted market practice in the publicly listed asset backed floating rate notes market to use a Benchmark Rate of interest which is different from the Alternative Benchmark Rate which had already been adopted by the Issuer in respect of the Class A Notes pursuant to a Benchmark Rate Modification, the Issuer is entitled to propose a further Benchmark Rate Modification pursuant to Condition 12(b)(iii).

(ix) The Note Trustee may, and may direct the Security Trustee to, without the consent or sanction of the Noteholders or the other Secured Creditors and without prejudice to its rights in respect of any subsequent breach or Event of Default or Potential Event of Default, at any time and from time to time but only if and in so far as in its opinion the interests of the Most Senior Class of Notes shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer or any other person of any of the covenants or provisions contained in these Conditions or any other Transaction Document or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of these Conditions.

(c) **Additional Modifications**

(i) In connection with any substitution of principal debtor referred to in Condition 5(b) (*Optional redemption for taxation reasons*), the Note Trustee may also agree, without the consent of the Noteholders or the other Secured Creditors, to a change in the laws governing these Conditions and/or any of the Transaction Documents, provided that such change would not, in the opinion of the Note Trustee, be materially prejudicial to the interests of the Noteholders.

(d) **Substitution and exchange**

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

(ii) The Note Trustee may, without the consent of the Noteholders or any of the other Secured Creditors, agree to a change in the place of residence of the Issuer for taxation purposes provided (i) the Issuer does all such

things as the Note Trustee may require in order that such change is fully effective and complies with such other requirements in the interests of the Noteholders as it may request and (ii) the Issuer provides the Note Trustee with an opinion of counsel satisfactory to the Note Trustee to the effect that the change of residency of the Issuer will not cause any withholding or deduction to be made on payments on the Notes.

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

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

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

The Trust Deed, the Deed of Charge and certain other of the Transaction Documents contain provisions for the indemnification of the Note Trustee and the Security Trustee and for their relief from responsibility including for the exercise of any rights under the Trust Deed and the other Transaction Documents (including, but without limitation, with respect to the Security), for the sufficiency and enforceability of the Trust Deed and the other Transaction Documents (which neither the Security Trustee nor the Note Trustee has investigated) and the validity, sufficiency and enforceability of the Deed of Charge (which neither the Security Trustee nor the Note Trustee has investigated) and for taking proceedings to enforce payment unless, in each case, indemnified and/or secured and/or prefunded to its satisfaction. The Note Trustee and the Security Trustee and any of their affiliates are entitled to enter into business transactions with the Issuer, any subsidiary or other affiliate of the Issuer or any other party to the Transaction Documents or any obligor with respect to any of the Security or any of their subsidiary, holding or associated companies and to act as Trustee or Security Trustee for the holders of any securities issued by any of them without, in any such case, accounting to the Noteholders for any profit resulting therefrom.

The Trust Deed and the Deed of Charge provide that the Note Trustee or the Security Trustee will be obliged to take action on behalf of the Noteholders and the Secured Creditors in certain circumstances, provided always that the Note Trustee and/or the Security Trustee (as the case may be) is indemnified and/or secured and/or prefunded to its satisfaction. Further, the Note Trustee will not be obliged to act on behalf of the Noteholders or any other Secured Creditors where it would not have the power to do so by virtue of any applicable law or where such action would be illegal in any applicable jurisdiction.

14. ***Replacement of Notes***

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

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

15. ***Notices***

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

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

16. ***Governing law and jurisdiction***

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

(b) The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes (including a dispute relating to the existence, validity or termination of the Notes or any non-contractual obligation arising out of or in connection with the Notes) and any legal action or proceedings arising out of or in connection with such disputes may be brought in such courts. The Issuer irrevocably submits to the exclusive jurisdiction of such courts and waives any objections to proceedings in such courts on the ground of venue or on the ground that they have been brought in an inconvenient forum. This submission is for the benefit of the Note Trustee and will not limit the right of the Note Trustee to take legal action or proceedings in any other court of competent jurisdiction nor will the taking of such proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction (whether concurrently or not).

17. ***Rights of third parties***

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

OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS

The description of certain of the Transaction Documents set out below is a summary of certain features of those agreements and is qualified by reference to the detailed provisions of the terms and conditions of those agreements. Prospective Noteholders may inspect a copy of each of the Transaction Documents upon request at the Specified Office of the Paying Agent and on the EuroABS Portal.

The structure of the Prospectus, the structure of the Trust Deed, the Deed of Charge, the Receivables Sale and Purchase Agreement and the other Transaction Documents and the issue of the Notes, as well as the ratings which are to be assigned to the Class A Notes, are based on English law and Scots law and United Kingdom tax, regulatory and administrative practice in effect as at the date of this Prospectus as they affect the parties to the transaction and the Portfolio, and having due regard to the expected tax treatment of the Issuer under such law and practice. No assurance can be given as to the impact of any possible change to English law and Scots law and United Kingdom tax, regulatory or administrative practice after the date of this Prospectus.

1. RECEIVABLES SALE AND PURCHASE AGREEMENT

On the Closing Date, the Seller, the Issuer, the Servicer and the Security Trustee will enter into the Receivables Sale and Purchase Agreement.

Pursuant to the Receivables Sale and Purchase Agreement, the Seller will sell on the Closing Date, and on any Additional Purchase Date, to the Issuer and the Issuer will purchase from the Seller all right, title and interest of the Seller in the Receivables and their related Ancillary Rights comprised in the Portfolio. Such sale is made by way of absolute assignment and, accordingly, the Seller with full title guarantee will assign to the Issuer all of its rights, title, interest and benefit in and to each Receivable included in the Portfolio, including to the fullest extent possible under applicable law, all Ancillary Rights related to such Receivable but excluding the Excluded Amounts.

Assignment by the Seller to the Issuer of the benefit of the Receivables included in the Portfolio and the Ancillary Rights will take effect in equity only because no notice of the assignment will be given to Obligors. The assignment will be perfected following the occurrence of a Perfection Event.

Representations and warranties given by the Seller

Pursuant to the Receivables Sale and Purchase Agreement, the Seller will make certain representations and warranties to the Issuer and the Security Trustee as set out in the section of this Prospectus headed "*DESCRIPTION OF THE PORTFOLIO – Seller Receivables Warranties*" (the "**Seller Receivables Warranties**") regarding the compliance of the Purchased Receivables and the related Underlying Agreements (including, among other things, that all Purchased Receivables (including, where relevant their Ancillary Rights) comply with the Eligibility Criteria on the Initial Cut-Off Date (in respect of the Initial Receivables) and, if relevant, the Additional Cut-Off Date (in respect of the Additional Receivables only) with reference to the facts and circumstances subsisting as at the date indicated in the relevant Eligibility Criteria, and that the Receivables offered for sale on the relevant Cut-Off Date, together with all other Purchased Receivables, comply with the Concentration Limits and that on each date on which a Variation is agreed in respect of a Purchased Receivable, the Variation is not a Non-Permitted Variation.

To the extent that a Seller Receivables Warranty given by the Seller in respect of a Purchased Receivable proves to have been incorrect on the date on which such Seller

Receivables Warranty was made where such breach materially and adversely affects the interests of the Issuer in any Purchased Receivable and, if applicable, the relevant breach cannot be remedied, or if the relevant Purchased Receivable never existed or has ceased to exist such that it is not outstanding as at the Repurchase Date or where a Non-Permitted Variation has been made in respect of the relevant Purchased Receivable (each such affected Receivable being a "**Non-Compliant Receivable**"):

(a) the Seller will be required to repurchase such Receivable on the first Interest Payment Date immediately following such breach by depositing or causing the Servicer to deposit, into the Transaction Account, an amount equal to the Repurchase Price for such Receivable; or

(b) in the case of a Purchased Receivable which never existed, or has ceased to exist, such that it is not outstanding as at the Repurchase Date, the Seller will not be required to repurchase such Purchased Receivable and will instead be required to pay to the Issuer an amount, calculated by the Servicer, equal to the Repurchase Price for such Receivable (the "**Receivables Indemnity Amount**").

The Seller shall repurchase the relevant Non-Compliant Receivables and/or pay the relevant Receivables Indemnity Amount (as the case may be) by no later than the Interest Payment Date immediately following the end of the Calculation Period in which the relevant breach of Seller Receivables Warranty was discovered.

In the event of any such repurchase, the relevant Receivable (unless it is extinguished) will be re-assigned by the Issuer to the Seller on the relevant Repurchase Date on a non-recourse or guarantee basis on the part of the Issuer. The costs of such assignment will be borne solely by the Seller.

The Sale Notice to be delivered by the Seller for the purchase of Receivables under the Receivables Sale and Purchase Agreement contains certain relevant information for the purpose of identification of the Purchased Receivables. In the Sale Notices, the Seller represents that the representations and warranties with respect to the Purchased Receivables referred to above are true and correct as of the Initial Cut-Off Date or as at the Additional Cut-Off Date (as the case may be) by reference to the facts and circumstances subsisting as at the relevant Cut-Off Date. See "*DESCRIPTION OF THE PORTFOLIO — Seller Receivables Warranties*".

The Seller, upon receipt of the Initial Purchase Price, is obliged from time to time to promptly execute and deliver and/or file all documents, and take all further action that the Issuer or the Security Trustee may reasonably request, in order to perfect, protect or maintain the validity of or evidence the Issuer's and the Security Trustee's rights and interests in and to the Purchased Receivables. The Seller is also obliged to indemnify the Issuer and the Security Trustee against any loss or expense suffered or incurred by the Issuer or the Security Trustee as a direct result of any failure by the Seller to complete any sale and purchase constituted under the Receivables Sale and Purchase Agreement, except where such loss or expense arose as a direct consequence of any gross negligence, wilful default or fraud of the Issuer or the Security Trustee or any of their agents.

A sale and assignment of the Receivables pursuant to the Receivables Sale and Purchase Agreement constitutes a sale without recourse. This means that the Seller will not bear the risk of the inability of any Obligor to pay the relevant Purchased Receivables. However, in the event of any breach of the Seller Receivables Warranties (and therefore the Eligibility Criteria and the Concentration Limits) (as at the relevant time when the Seller Receivables Warranties are given), the Seller owes the payment of the Repurchase

Price or the Receivables Indemnity Amount (as applicable) regardless of the respective Obligor's credit strength.

In addition to the Seller Receivables Warranties, the Seller will on the Closing Date and on any Additional Purchase Date make various corporate representations in respect of itself, including that its "centre of main interests" for the purposes of the EU Insolvency Regulation and the UK Insolvency Regulation is in the United Kingdom and it does not have any "establishment" (as defined in the EU Insolvency Regulation and the UK Insolvency Regulation) other than in the United Kingdom.

Title to Vehicles

Title to the Vehicles financed by Underlying Agreements included in the Portfolio will remain with TFSUK until it is transferred to the relevant Obligor under the terms of the relevant Underlying Agreement or is sold by TFSUK following repossession of the Vehicle from the relevant Obligor.

Repossession and disposal of Vehicles, Vehicle Sale Proceeds

Pursuant to the Receivables Sale and Purchase Agreement the Seller undertakes to promptly (in each case after the relevant Vehicle is in its possession or control) sell any Vehicles surrendered, recovered or otherwise returned to the Seller in accordance with the terms of the relevant Underlying Agreement and/or Credit and Collection Procedures and account for the proceeds of such sale to the Issuer further to the sale and assignment of the Purchased Receivables to the Issuer (save to the extent the Receivable relating to such Underlying Agreement is a Redelivery Purchased Receivable and has been repurchased by TFSUK under the Redelivery Repurchase Agreement on the Redelivery Repurchase Date).

The Vehicle Sale Proceeds will be paid into the Seller Collection Accounts net of associated costs, charges, fees, expenses and, if applicable, the Incentive Fee in respect of the related Vehicle.

Following the appointment of the Seller's Insolvency Official, the Issuer will pay to the Seller (or, as the case may be, the Seller may retain) from, and to the extent of, the relevant Vehicle Sale Proceeds the Incentive Fee in respect of each related Vehicle resold by the Seller.

Clean-Up Call

On any Interest Payment Date on which (a) the Aggregate Discounted Receivables Balance as per preceding Determination Date is equal to or less than 10% of the Aggregate Discounted Receivables Balance as at the Initial Cut-Off Date or (b) the Class A Notes (including any interest accrued but unpaid thereon) are redeemed and repaid in full, the Seller will (provided that on the relevant Interest Payment Date no Note Acceleration Notice has been served) have the option under the Receivables Sale and Purchase Agreement to repurchase all outstanding Purchased Receivables then owned by the Issuer against payment of the Final Repurchase Price subject to the following requirements:

(a) the Final Repurchase Price should be an amount as described in Condition 5(d)(i)(1) (*Clean-Up Call*); and

(b) the Seller shall have notified the Issuer of its intention to exercise the Clean-Up Call no later than on the Reporting Date immediately preceding the Interest Payment Date of the Clean-Up Call.

Tax Redemption Receivables Call Option

If the Issuer fixes a date for redemption of the Notes pursuant to Condition 5(b) (*Optional redemption for taxation reasons*) (which must be an Interest Payment Date), the Seller will, on such date, have the option under the Receivables Sale and Purchase Agreement to repurchase all outstanding Purchased Receivables then owned by the Issuer against payment of the Tax Redemption Repurchase Price. The Seller shall notify the Issuer and the Security Trustee of its intention to exercise its right of repurchase under the Tax Redemption Receivables Call Option no later than on the Reporting Date immediately preceding the Interest Payment Date on which such repurchase will take place

Taxes and Increased Costs

All payments to be made by the Seller to the Issuer pursuant to the Receivables Sale and Purchase Agreement will be made free and clear of and without withholding or deduction for or on account of, any Tax, unless such withholding or deduction is required by law. If the Seller is required to withhold or deduct for or on account of Tax, it will increase the amount of the payment due to the Issuer to an amount which (after making the withholding or deduction) leaves an amount equal to the payment which would have been due if no withholding or deduction had been required. The Seller will have the opportunity and authorisation to raise defences against the relevant payment at the Seller's own costs.

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

Notification of Assignment

Upon the occurrence of a Perfection Event, the Issuer (or the Servicer on its behalf) will, or, following the service of a Note Acceleration Notice, the Security Trustee (at the cost of the Issuer) may:

(a) give notice in its own name (and/or require the Seller and/or the Servicer to give notice) to all or any of the Obligors of the sale, assignment and assignation of all or any of the Purchased Receivables; and/or

(b) direct (and/or require the Seller and/or the Servicer to direct) all or any of the Obligors to pay amounts outstanding in respect of Purchased Receivables directly to the Issuer, the Transaction Account or any other account which is specified by the Issuer; and/or

(c) give instructions (and/or require the Seller and/or the Servicer to give instructions) to make the transfers from the Seller Accounts to the Transaction Account; and/or

(d) subject to compliance with Applicable Law, take such other action and enter into (and require the Seller to enter into) such documents (including further assignations) as it reasonably considers to be necessary, appropriate or desirable (including taking the benefit of title to the Vehicles to the extent permitted by law

and entering into further assignations of Purchased Receivables) in order to recover any amount outstanding in respect of Purchased Receivables or to improve, protect, preserve or enforce their rights against the Obligors in respect of Purchased Receivables.

Credit and Collection Procedures

The Seller shall not make any material amendment to the Credit and Collection Procedures without prior written notice to the Issuer, the Security Trustee, the Noteholders and the Rating Agencies unless such amendment, in the Seller's reasonable opinion (i) could not be expected to impair the collectability or decrease the credit quality of any Purchased Receivable; or (ii) is required to be made to comply with any change in Applicable Law or with any statement, requirement or policy of an Authority, any such notice shall be given without delay together with an explanation of the purpose of such changes (which notification may be made by way of inclusion in the Monthly Report).

Governing Law

The Receivables Sale and Purchase Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law but any term particular to the law of Scotland will be construed in accordance with the laws of Scotland. The Scottish Declarations of Trust will be governed by Scots law.

2. **SERVICING AGREEMENT**

On the Closing Date, pursuant to the Servicing Agreement between the Servicer, the Seller, the Security Trustee and the Issuer, the Servicer will be appointed by the Issuer to administer the Purchased Receivables, collect and, if necessary, enforce the Purchased Receivables in accordance with the Servicing Agreement (the "**Services**").

Obligations of the Servicer

Under the terms of the Servicing Agreement, the Servicer has, among other things, undertaken to perform its duties in accordance with all applicable laws and regulations and pursuant to specific instructions that, on certain conditions, it may be given by the Issuer or (following delivery of a Note Acceleration Notice) the Security Trustee, from time to time.

The Servicer has undertaken that it will devote to the performance of its obligations and the exercise of its discretions under the Servicing Agreement and its exercise of the rights of the Issuer in respect of contracts and arrangements giving rise to payment obligations in respect of the Purchased Receivables at least the same amount of time and attention and exercise the level of skill, care and diligence as it would exercise if it were administering receivables in respect of which it held the entire benefit (both legally and beneficially) and, in any event, will devote all due skill, care and diligence to the performance of its obligations and the exercise of its and their discretions and rights under the Servicing Agreement but the Servicer shall not be required to do or cause to be done anything which it is prevented from doing by any applicable laws, regulations, judgments and other directions or orders to which it or any Purchased Receivable or Vehicle may be subject (together, the "**Servicer Standard of Care**").

General Administration Obligations in relation to the Portfolio

The Servicer shall, subject to the Credit and Collections Procedures, use all reasonable endeavours to:

(a) collect all Collections (including any proceeds from the sale, as applicable, of any Vehicles) under or in connection with the relevant Underlying Agreements and related Purchased Receivables;

(b) assist in the sale or disposal of each Vehicle following termination of its related Underlying Agreement where the Vehicle is returned to the Seller (save to the extent the Receivable relating to such Underlying Agreement is a Redelivery Purchased Receivable and has been repurchased by TFSUK under the Redelivery Repurchase Agreement on the Redelivery Repurchase Date);

(c) use commercially reasonable efforts to recover amounts due from the Obligors and, as the case may be, relevant indemnifiers, in respect of Defaulted Receivables;

(d) use commercially reasonable efforts to enforce all obligations of the Obligors under the related Underlying Agreements and of the related guarantors if any; and

(e) use commercially reasonable efforts to enforce all Ancillary Rights arising in respect of the Purchased Receivables (including, but not limited to, any claims against any third parties (including Dealers) in relation to any claims or set-off exercised by an Obligor),

in each case on behalf of and at the expense of the Issuer in accordance with the provisions of the relevant Underlying Agreements and the Credit and Collection Procedures and Applicable Law.

The Servicer shall also:

(a) promptly notify all Obligors following the occurrence of a Perfection Event;

(b) notify the Issuer, the Noteholders and the Security Trustee on becoming aware of the occurrence of any Perfection Event or Servicer Termination Event and that notice to Obligors has been made pursuant to (a) above.

The Servicer will maintain all appropriate registrations, licences, permissions and authorities required to enable it to perform its obligations under the Transaction Documents.

Based on the Seller's, the Servicer's and the Issuer's understanding of the spirit of Article 20(7) of the UK Securitisation Regulation and the EBA STS Guidelines applicable to Non-ABCP Securitisations (insofar as they remain relevant in the UK in accordance with the FCA's guidance with respect to its approach to non-legislative material published by the EU), the Seller, the Servicer and the Issuer agree not to undertake active portfolio management of the Purchased Receivables included in the Portfolio on a discretionary basis.

Cash Collection Arrangements

The Servicer shall use reasonable efforts to ensure that all amounts received by the Servicer or into the Seller Collection Accounts in respect of Purchased Receivables deriving from the related Underlying Agreement or Ancillary Rights from the Obligor or a third party including any amounts representing the Vehicle Sale Proceeds are transferred into the Transaction Account in accordance with the Servicing Agreement.

To the extent that a Rating Agency Event or a Servicer Termination Event has not occurred, the Servicer is obliged to transfer Collections in respect of the Purchased

Receivables in the Portfolio from the Seller Collection Accounts to the Transaction Account on the relevant Interest Payment Date.

If a Rating Agency Event or a Servicer Termination Event occurs and is continuing, the Servicer shall, within sixty (60) calendar days of such occurrence (the "**Performance Period**"), notify the Issuer in writing that it will elect either (i) to transfer any Collections to the Transaction Account no later than two (2) Business Days after the date of receipt of such Collections or (ii) to advance to the Issuer (no later than the last day of such Performance Period) such amount or amounts as (taking into account any previous advance which has been made for such purpose, except to the extent that such amount has been repaid or withdrawn in accordance with the terms of the Servicing Agreement) to ensure that the amount standing to the credit of the Commingling Reserve Ledger is equal to the Commingling Reserve Required Amount from time to time.

For so long as such Rating Agency Event or such Servicer Termination Event is continuing, the Servicer shall have the right to switch between the above options by written notice to the Issuer.

If, upon the occurrence of a Rating Agency Event or a Servicer Termination Event, the Servicer notifies the Issuer that it wishes to make any advance to the Issuer then it shall make the relevant advance no later than the last day of the relevant Performance Period. Any further advance which is required to be made to ensure that the amount standing to the credit of the Commingling Reserve Ledger is equal to the Commingling Reserve Required Amount shall be made on the Interest Payment Date on which, if that further advance were not made, the amount standing to the credit of the Commingling Reserve Ledger would, but for such advance, be less than the Commingling Reserve Required Amount on that Interest Payment Date.

If the Servicer fails to advance (or to adjust, if required) such Commingling Reserve Required Amount as required above within five (5) Business Days from the due date, a Servicer Termination Event will occur.

Upon the occurrence of a Servicer Termination Event, and while such Servicer Termination Event is continuing, the Issuer shall be entitled to debit an amount equal to any Servicer Shortfall from the Commingling Reserve Ledger, and to treat that amount as part of the Available Receipts, or after the service of a Note Acceleration Notice, the amounts will be applied in accordance with the Post-Acceleration Priority of Payments.

If, on any Reporting Date immediately preceding any Interest Payment Date following the occurrence of a Rating Agency Event or a Servicer Termination Event and while such Rating Agency Event or Servicer Termination Event (as applicable) is continuing, but prior to the service of a Note Acceleration Notice, the Servicer shall notify the Issuer of any Commingling Reserve Excess Amount, and, if the Issuer is so notified, it shall repay an amount equal to such Commingling Reserve Excess Amount to the Servicer on the next following Business Day (or such other date agreed between the Issuer and the Servicer). For the avoidance of doubt, such payment shall be made outside of the Pre-Acceleration Priority of Payments.

Any remaining amount standing to the credit of the Commingling Reserve Ledger, after or on the date on which the Issuer has determined that: (i) no Servicer Shortfall exists and no further Servicer Shortfalls are expected to occur; and (ii) no Rating Agency Event or Servicer Termination Event is still continuing, shall be repaid to the Servicer on the next following Business Day (or such other date agreed between the Issuer and the Servicer). For the avoidance of doubt, such payment shall be made outside of the Pre-Acceleration Priority of Payments. The Servicer shall not make any deposit or otherwise credit, or

cause or permit to be so deposited or credited, to the Commingling Reserve Ledger any amounts other than the Commingling Reserve Required Amount.

Upon the service of a Note Acceleration Notice, the amounts standing to the credit of the Commingling Reserve Ledger not used to cover any Servicer Shortfall shall form part of the amounts to be applied in accordance with the Post-Acceleration Priority of Payments.

For the avoidance of doubt, the provisions set forth above in connection with the Commingling Reserve Ledger shall only apply to TFSUK as long as it acts as Servicer and not apply to any Successor Servicer.

On each Interest Payment Date, amounts representing Collections for the relevant Calculation Period together with other items comprising the Available Receipts shall be applied by the Cash Manager in accordance with the applicable Priority of Payments.

Records

The Servicer, on behalf of the Issuer, shall:

(a) maintain records in respect of the amounts received in respect of the Purchased Receivables, which identify all payments made into the Transaction Account;

(b) ensure that the Purchased Receivable Records in respect of the Purchased Receivables and the relevant Underlying Agreements are held to the order of the Issuer and the Security Trustee;

(c) maintain adequate back-ups of such Purchased Receivable Records in accordance with its usual procedures;

(d) keep the Purchased Receivable Records in such manner so that they are identifiable and distinguishable from the records and other documents which relate to other HP agreements, PCP Agreements, and other agreements which are held by or on behalf of the Servicer or any other person and so that the relevant contracts and Purchased Receivables Records are uniquely and unequivocally identifiable from data contained in the Receivables Listing or the relevant Sale Notice (as applicable);

(e) at any time after a Servicer Termination Event has occurred and is continuing, shall deliver at its own expense the Records or copies of the Records to or to the order of the Issuer or the Security Trustee upon written request and shall co-operate with the Issuer and the Security Trustee and comply with all reasonable requests of the Issuer and the Security Trustee in relation thereto.

The Servicer shall notify the Issuer and the Security Trustee of the location at which the Purchased Receivable Records are kept (including for the avoidance of doubt any records kept pursuant to the Servicing Agreement and any changes to such location effected whilst the Servicing Agreement remains in force. On the Closing Date, the location at which the Records are kept is at the principal office of the Servicer.

Reporting

The Servicer will prepare (or procure the preparation of):

(a) the UK Monthly Servicer Data Tape as required by and in accordance with Article 7(1)(a) of the UK Securitisation Regulation and the UK Article 7 Technical Standards and the EU Monthly Servicer Data Tape as required by and in

accordance with Article 7(1)(a) of the EU Securitisation Regulation and the EU Article 7 Technical Standards; and

(b) any UK SR Inside Information and Significant Event Report as required by and in accordance with Article 7(1)(f) and/or Article 7(1)(g) (as applicable) of the UK Securitisation Regulation and the UK Article 7 Technical Standards and any EU SR Inside Information and Significant Event Report as required by and in accordance with Article 7(1)(f) and/or Article 7(1)(g) (as applicable) of the EU Securitisation Regulation and the EU Article 7 Technical Standards.

The Servicer will make the information set out in paragraph (a) above available no later than 5 p.m. on each Interest Payment Date and the information set out in paragraph (b) above available without delay, in each case, to:

(a) the Issuer, the Cash Manager, the Seller and the Swap Provider; and

(b) the Noteholders, the competent authorities and, upon request, to potential noteholders.

The Servicer will prepare and, on or prior to each Reporting Date, will deliver via email or any other agreed electronic means to the Issuer and the Cash Manager, the Rating Agencies and the Security Trustee, the Monthly Report applicable to the Calculation Period immediately preceding such Reporting Date.

Credit and Collection Procedures

Pursuant to the Servicing Agreement, the Servicer shall be authorised to modify the terms of a Purchased Receivable in accordance with the terms of the relevant Underlying Agreement and its Credit and Collection Procedures.

Use of Third Parties

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

Servicing Expenses and Reimbursement of Enforcement Expenses

As consideration for the performance of the Services pursuant to the Servicing Agreement, the Servicer is entitled to a servicing fee of 1.00% per annum of the Aggregate Discounted Receivables Balance, calculated in accordance with the Servicing Agreement (the "**Servicing Fee**"). The Servicing Fee will be inclusive of any amounts in respect of VAT. The Servicing Fee will be paid by the Issuer in accordance with the applicable Priority of Payments in monthly instalments on each Interest Payment Date with respect to the immediately preceding Calculation Period in arrear.

In addition, the Issuer will on each Interest Payment Date reimburse, in accordance with the applicable Priority of Payments, the Servicer for all reasonable out-of-pocket costs, expenses and charges (including any Irrecoverable VAT (and any such costs, expenses or charges not reimbursed to the Servicer on any previous Interest Payment Date but excluding (i) any amounts recovered from the Obligor and (ii) any amounts paid by the Servicer to any delegate or sub-contractor).

Termination of appointment of the Servicer

Upon the occurrence of any Servicer Termination Event, the Issuer (prior to the delivery of a Note Acceleration Notice) with the written consent of the Security Trustee, or the

Security Trustee itself (after the delivery of a Note Acceleration Notice) may at once or at any time thereafter while such default continues by notice in writing to the Servicer (with a copy to the Back-Up Facilitator) terminate its appointment as Servicer under the Servicing Agreement with effect from a date not earlier than the date of the notice specified in the Servicer Termination Notice. Upon receipt by the Servicer of a Servicer Termination Notice or upon the occurrence of any Insolvency Event in respect of the Servicer, the Issuer shall promptly arrange for the appointment of a successor Servicer by the Issuer and the Seller, the Servicer's rights and obligations under the Servicing Agreement will terminate upon the appointment of such Successor Servicer.

The Issuer may, promptly after the delivery to the Servicer of a Servicer Termination Notice, give notice in writing to the Back-Up Facilitator and request it to identify and select a Successor Servicer. Upon being so notified, the Back-Up Facilitator shall consult with the Issuer (prior to the service of a Note Acceleration Notice) or (after the service of a Note Acceleration Notice) the Security Trustee, regarding the successor servicer and shall use reasonable endeavours to identify and select a Successor Servicer within 30 calendar days of being so notified and provide details of its selection (the "**Proposed Replacement**") to the Issuer and the Security Trustee. If the Back-Up Facilitator nominates a replacement that complies with the requirements set out below, that nominee shall be selected as the Proposed Replacement. Promptly upon being notified of the identity of the Proposed Replacement, the Issuer shall appoint the Proposed Replacement as Successor Servicer in accordance with the terms of the Servicing Agreement.

During the continuance of its appointment hereunder, the Back-Up Facilitator shall, upon and subject to the terms and conditions of the Servicing Agreement, have the full power, authority and right to do or cause to be done any and all things necessary, convenient or incidental to the selection of a Successor Servicer or the exercise of such right, powers and discretions or compliance with such obligations and duties.

Upon service of a notice of termination of the Servicer under the Servicing Agreement pursuant to the Servicing Agreement in circumstances where the Back-Up Facilitator is unable to nominate a replacement that complies with the requirements set out below, the Issuer shall use its best efforts to identify and thereafter appoint an alternative replacement servicer who satisfies the conditions set out below.

An entity may be appointed as replacement Servicer only if:

(a) it has experience of administering receivables reasonably similar to the Purchased Receivables being administered by the Servicer in England, Wales and Scotland or is able to demonstrate that it has the capability to administer receivables reasonably similar to the Purchased Receivables being administered by the Servicer in England, Wales and Scotland;

(b) it is willing to enter into an agreement with the parties to the Servicing Agreement (other than Toyota Financial Services (UK) PLC) which provides for the Successor Servicer to be remunerated at such a rate as is agreed by the Issuer but which does not exceed the rate then commonly charged by providers of services of the kind described in the Servicing Agreement and required by the Servicing Agreement to be provided by the Servicer and is otherwise on substantially the same terms as those of the Servicing Agreement;

(c) it is willing to co-operate with the retiring Servicer and the Issuer to obtain the agreement of the Obligors to pay the amounts due under the Purchased Receivables and related Underlying Agreements directly into the Seller Collection Account or any replacement collection account (as the case may be) and/or put in

place alternative payment arrangements in relation to those Obligors that do not permit a direct debit to be made to their respective bank accounts under the Direct Debiting Scheme or if an existing direct debit in relation to an Obligor is cancelled;

(d) it is resident solely in the United Kingdom for tax purposes and will perform its obligations under the Transaction Documents solely from a fixed establishment in the United Kingdom;

(e) it has obtained and maintains in effect all authorisations, approvals, licences and consents required in connection with its business pursuant to any Applicable Law or regulation applicable to the provision of the Services;

(f) it undertakes to administer and use the Purchased Receivable Records received under the Servicing Agreement in compliance with any Applicable Law or regulation;

(g) it accedes to the terms of the Deed of Charge as a Secured Creditor or otherwise agrees to be bound by its terms as if party thereto; and

(h) the Rating Agencies are notified of such identification and intended appointment and have indicated that such appointment would not result in the reduction, qualification or withdrawal of the then current ratings of the Class A Notes.

The outgoing Servicer and the Issuer will execute such documents and take such actions as the Issuer may reasonably require for the purpose of transferring to the replacement Servicer the rights and obligations of the outgoing Servicer or by any replacement Servicer of the specific obligations of a replacement Servicer under the Servicing Agreement and releasing the outgoing Servicer from its future obligations under the Servicing Agreement. Upon termination of the Servicing Agreement with respect to the Servicer or the appointment of a replacement Servicer, the Servicer will transfer to the replacement Servicer all Purchased Receivable Records.

Any termination of the appointment of the Servicer or a replacement Servicer will be notified by the Issuer to the Servicer, the Rating Agencies, the Security Trustee, the Paying Agent, the Interest Determination Agent, the Account Bank, the Cash Manager and the Swap Provider.

Variations to Underlying Agreements

Pursuant to the terms of the Servicing Agreement, TFSUK has agreed that no changes shall be made to the Underlying Agreements that relate to the Purchased Receivables unless such changes are:

(i) made in accordance with the terms of such contract and/or the Credit and Collection Procedures; and

(ii) not a Non-Permitted Variation,

(such changes being "**Permitted Variations**").

A "**Non-Permitted Variation**" means, in respect of any Underlying Agreement:

(i) any Purchased Receivable, payable under such Underlying Agreement, is reduced or negatively affected due to any early termination of the relevant Underlying Agreement agreed upon by the parties thereto other than in accordance with the requirements of the CCA or CONC; or

(ii) the Purchased Receivable, payable under such Underlying Agreement, is materially reduced or materially affected due to any material modification and/or material reduction to the cash flow or payment plan of the relevant Underlying Agreement (other than: (i) any rescheduling of any instalments which the Servicer is obligated to make pursuant to the CCA or CONC; or (ii) any modifications required in respect of any Non-Defaulted Receivables Losses incurred in respect of any Purchased Receivable; or (iii) any modifications made following an agreed change to the mileage limit applicable to the Underlying Agreement to the extent this does not result in a change to the balloon payment in relation to an Underlying Agreement),

which shall not, for the avoidance of doubt, include any action taken with respect to the Servicer's arrears management process in accordance with its Credit and Collection Procedures or in the case of any AccessFlex Contract Receivable, any adjustment to the contractual term of such Purchased Receivable following an election by the Obligor which is made under and in accordance with the terms of the Underlying Agreement.

If TFSUK agrees to any Variation to an Underlying Agreement that relates to a Purchased Receivable which is a Non-Permitted Variation, the Seller must repurchase such Purchased Receivable from the Issuer on the first Interest Payment Date immediately following the occurrence of such Non-Permitted Variation. Any such repurchase by the Seller as a result of a Variation to an Underlying Agreement that relates to a Purchased Receivable which is a Non-Permitted Variation shall be made in accordance with and subject to the terms of the Receivables Purchase Agreement.

Governing Law

The Servicing Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law but any term particular to the law of Scotland will be construed in accordance with the laws of Scotland.

3. **CASH MANAGEMENT AGREEMENT**

On or before the Closing Date, the Issuer, the Cash Manager, the Servicer, the Note Trustee and the Security Trustee will enter into the Cash Management Agreement pursuant to which TFSUK will be appointed:

(a) to act as the Cash Manager in respect of amounts standing from time to time to the credit of the Issuer Accounts and arrange for payments to be made on behalf of the Issuer from such accounts in accordance with the Priority of Payments; and

(b) to act as the Interest Determination Agent to determine the relevant SONIA rate on each Interest Determination Date and provide such figure, among other matters, to the Cash Manager and the Servicer.

The functions, rights and duties of the Interest Determination Agent are set out in the Conditions. See "*CONDITIONS OF THE NOTES*".

Cash Management Services

The Cash Manager is required to manage the operation of the Issuer Accounts, and in each case give instructions to the Account Bank to enable it to perform its obligations. The Cash Manager shall additionally perform certain calculations required under the Transaction Documents necessary for the determination and payment of the various cash flows and shall be responsible for applying such payments in accordance with the Priority of Payments and the Transaction Documents.

Pursuant to the Cash Management Agreement, the Cash Manager will provide, *inter alia*, the following cash management services to the Issuer:

(a) determining such amounts as are expressed to be calculations and determinations made by the Cash Manager in accordance with the Conditions of the Notes and the Transaction Documents; and

(b) determining the amounts of Available Receipts to be applied on each Interest Payment Date and applying or causing to be applied Available Receipts in accordance with the applicable Priority of Payments set out in the Cash Management Agreement or, as applicable, the Deed of Charge.

The Cash Manager will maintain the following ledgers:

(a) on the Transaction Account, the "**Replenishment Ledger**" whereby on each Interest Payment Date falling in the Revolving Period, any Excess Collection Amount recorded onto and standing to the credit of such Replenishment Ledger shall be applied as Available Receipts in accordance with the Pre-Acceleration Priority of Payments. Following application of the Available Receipts, the Replenishment Ledger will be credited with an amount equal to the Excess Collection Amounts in accordance with the Pre-Acceleration Priority of Payments. Following the expiry of the Revolving Period any balance standing to the credit of the Replenishment Ledger shall be transferred onto the Transaction Account as Available Receipts and the Replenishment Ledger shall be closed;

(b) on the Reserve Account, the "**Commingling Reserve Ledger**", recording the Commingling Reserve Required Amount to be applied as Available Receipts in accordance with the Priority of Payments; and

(c) on the Transaction Account, the "**Issuer Profit Ledger**" which records (A) as a credit all amounts retained as Issuer Profit Amount in accordance with item (a) of the Pre-Acceleration Priority of Payments or item (a) of the Post-Acceleration Priority of Payments, as the case may be; and (B) as a debit any payments in respect of Tax to any relevant Tax Authority or agency and any dividend payments to the Issuer's shareholder (up to the credit balance standing to the Issuer Profit Ledger).

Before each Interest Payment Date up to (and excluding) the Final Class A Interest Payment Date, the Cash Manager will record amounts as appropriate on the Reserve Fund as follows:

(a) crediting the Reserve Fund by an amount equal to the aggregate of:

  (i) the amount available from the proceeds of the Subordinated Loan on the Closing Date for the Reserve Fund; and

  (ii) payments made in accordance with item (f) of the Pre-Acceleration Priority of Payments; and

(b) debiting the Reserve Fund by an amount equal to the aggregate of amounts drawn from the Reserve Fund on each Interest Payment Date from the Closing Date for application under items (a) to (f) of the Pre-Acceleration Priority of Payments.

On the Final Class A Interest Payment Date, the Cash Manager will debit the Reserve Fund by the entirety of the balance standing to the credit of the Reserve Fund for

application under items (a), (b), (c), (d), (e) and (g) of the Pre-Acceleration Priority of Payments.

On (1) the Legal Maturity Date, (2) the date on which the Aggregate Discounted Receivables Balance is zero and (3) on the Interest Payment Date on which the Clean-Up Call is exercised, the balance standing to the credit of the Reserve Fund shall be applied as Available Receipts in accordance with the Pre-Acceleration Priority of Payments.

Reporting

Subject to receipt of the Monthly Report, the Cash Manager will prepare the Monthly Investor Report.

Subject to receipt of the UK Monthly Servicer Data Tape and the EU Monthly Servicer Data Tape on the relevant Reporting Date, the Cash Manager will prepare the UK SR Monthly Investor Report and the EU SR Monthly Investor Report, respectively, in each case in respect of the immediately preceding Calculation Period.

The Servicer shall monitor if UK Competent Authority (as defined in the UK Securitisation Regulation) or ESMA or any other relevant regulatory or competent authority publishes or amends any investor reporting template relevant to the transaction under the UK Securitisation Regulation and/or the EU Securitisation Regulation and will notify the Issuer, the Note Trustee and the Cash Manager if any such change occurs (the "**SR Reporting Notification**"). Following the SR Reporting Notification, the Cash Manager and the Servicer shall use all reasonable endeavours to consult on any changes required to the format, timing, frequency of distribution and method of distribution of the UK SR Monthly Investor Report and the EU SR Monthly Investor Report (as applicable) and following such consultation, the Cash Manager shall provide such additional or alternative reporting and information as agreed (and, in any event, the Cash Manager will, following the SR Reporting Notification, continue to prepare the UK SR Monthly Investor Reports and the EU SR Monthly Investor Reports, unless otherwise agreed with the Servicer).

The Cash Manager shall make the Monthly Investor Report, the UK SR Monthly Investor Report and the EU SR Monthly Investor Report available to the Issuer, Noteholders, the Swap Provider and the Rating Agencies by publication on a securitisation repository of the EuroABS Portal:

(a) in respect of the Monthly Investor Report, each Interest Payment Date; and

(b) in respect of the UK SR Monthly Investor Report and the EU SR Monthly Investor Report, each Interest Payment Date.

The Cash Manager shall make the EU SR Monthly Investor Report and the UK SR Monthly Investor Report available to the Noteholders, the competent authorities and, upon request, to potential noteholders by procuring the publication of such information on a securitisation repository of the EuroABS Portal on the Interest Payment Date. The SR Monthly Investor Reports will be made simultaneously with the UK Monthly Servicer Data Tape and the EU Monthly Servicer Data Tape.

Termination of appointment of Cash Manager

Cash Manager Termination Events

The Issuer may with the prior consent of the Servicer (except where a Servicer Termination Event has occurred, such consent not to be unreasonably withheld) terminate the appointment of the Cash Manager under the Cash Management Agreement upon the occurrence of a Cash Manager Termination Event. For the purposes of the above

paragraph, "**Cash Manager Termination Event**" means the occurrence of any one of the following events:

(a) the Cash Manager fails to instruct a deposit or a payment when such instruction is required to be made by the Cash Manager under the Cash Management Agreement (subject to there being sufficient funds in the relevant Issuer Account for such purpose) and such failure remains unremedied for three Business Days (where capable of remedy) following the Cash Manager having actual knowledge of, or being notified in writing of, such failure;

(b) a default is made by the Cash Manager in the performance or observance of any of its other covenants and obligations under the Cash Management Agreement which, in the opinion of the Security Trustee, is materially prejudicial to the interests of the Secured Creditors and such default continues unremedied for a period of 30 Business Days after the earlier of the Cash Manager becoming aware of such default (where capable of remedy) and receipt by the Cash Manager of written notice from the Issuer or the Security Trustee, as applicable, requiring the same to be remedied (where capable of remedy);

(c) it is or will become unlawful for the Cash Manager to perform or comply with any of its obligations under the Cash Management Agreement;

(d) the Cash Manager ceases or threatens to cease business;

(e) a Force Majeure Event continues in relation to the Cash Manager for more than 10 Business Days; or

(f) an Insolvency Event occurs in respect of the Cash Manager.

Termination of appointment of the Cash Manager

Upon the occurrence of a Cash Manager Termination Event, the Issuer (prior to the delivery of a Note Acceleration Notice) with the written consent of the Security Trustee, or the Security Trustee itself (after the occurrence of an Note Acceleration Notice) may at once terminate the Cash Manager's appointment under the Cash Management Agreement. The Issuer may, promptly after the occurrence of a Cash Manager Termination Event or upon the occurrence of any Insolvency Event in respect of the Cash Manager, arrange for the appointment of a replacement Cash Manager. The Cash Manager's rights and obligations under the Cash Management Agreement will terminate upon the appointment of such Replacement Cash Manager.

The Issuer may, promptly upon the occurrence of a Cash Manager Termination Event, give notice in writing to the Back-Up Facilitator and request it to identify and select a Replacement Cash Manager. Upon being so notified, the Back-Up Facilitator shall consult with the Issuer (prior to the service of a Note Acceleration Notice) or (after the service of a Note Acceleration Notice) the Security Trustee, regarding the successor cash manager and shall use reasonable endeavours to identify and select a Replacement Cash Manager within 30 calendar days of being so notified and provide details of its selection (the "**Proposed Replacement**") to the Issuer and the Security Trustee. If the Back-Up Facilitator nominates a replacement that complies with the requirements set out below, that nominee shall be selected as the Proposed Replacement. Promptly upon being notified of the identity of the Proposed Replacement, the Issuer shall appoint the Proposed Replacement as Replacement Cash Manager in accordance with the terms of the Servicing Agreement and the Cash Management Agreement.

During the continuance of its appointment hereunder, the Back-Up Facilitator shall, upon and subject to the terms and conditions of the Cash Management Agreement and the Servicing Agreement, have the full power, authority and right to do or cause to be done any and all things necessary, convenient or incidental to the selection of a Replacement Cash Manager or the exercise of such right, powers and discretions or compliance with such obligations and duties.

Termination upon Notice/Resignation

The Issuer may with the prior consent of the Servicer (except where a Servicer Termination Event has occurred, such consent not to be unreasonably withheld) terminate the appointment of the Cash Manager at any time upon not less than 90 calendar days' prior notice, provided that such termination shall not take effect until a Replacement Cash Manager that has been approved by the Servicer (and consented to by the Security Trustee) has been appointed in its place and provided that the replacement has no adverse effect on the then current ratings of the Class A Notes and does not cause any Rating Agency Event to occur.

Further at any time, the Cash Manager may also resign its appointment on no less than six months' written notice to the Issuer and the Security Trustee with a copy being sent to the Rating Agencies, provided that such resignation shall not take effect until a Replacement Cash Manager that has been approved by the Servicer (and consented to by the Security Trustee) has been appointed in its place and the replacement has no adverse effect on the then current ratings of the Class A Notes or cause any Rating Agency Event to occur.

No termination or resignation of the Cash Manager will be effective until the Issuer has appointed a new cash manager (the "**Replacement Cash Manager**"). In accordance with the terms of the Cash Management Agreement, any Replacement Cash Manager, must:

(a) in the reasonable opinion of the Issuer (which shall be certified by the Issuer to the Security Trustee) have experience of cash management in relation to auto finance agreements in England, Wales and Scotland;

(b) be approved by the Servicer;

(c) enter into an agreement (the "**Replacement Cash Management Agreement**") on terms substantially similar to those of the Cash Management Agreement, provided that (i) where the Issuer determines that it is not practicable, taking into account the then prevailing market conditions, to agree terms substantially similar to those set out in the Cash Management Agreement, the Issuer shall have certified in writing to the Note Trustee and the Security Trustee (upon which certificate the Note Trustee and the Security Trustee shall be entitled to rely absolutely and without further enquiry or liability) that, to the extent the terms (including the fees payable to the Cash Manager) are not substantially similar to those set out in the Cash Management Agreement as aforementioned, such terms are fair and commercial terms taking into account the then prevailing current market conditions, which certificate shall be conclusive and binding on all parties and (ii) neither the Note Trustee nor the Security Trustee shall be obliged to enter into any such arrangements which, in the sole opinion of the Note Trustee or the Security Trustee (as applicable) would have the effect of (A) exposing the Note Trustee or the Security Trustee (as applicable) to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights, powers, authorities, indemnification or protections, of the Note Trustee or the Security Trustee in the Transaction Documents; and

(d) be an entity that the Rating Agencies have confirmed to the Issuer in writing the appointment of which will not cause the then current ratings of the Class A Notes to be adversely affected.

The Security Trustee shall give its consent to the appointment of a Replacement Cash Manager on receipt of a certificate of the Issuer confirming such Replacement Cash Manager satisfies the criteria set out in paragraphs (a) and (c) above.

Where no suitable entity is found that satisfies the criteria set out above, the Issuer shall notify the Security Trustee and the Servicer and the Security Trustee and the Servicer shall consent to the appointment of an entity as Replacement Cash Manager only where the Security Trustee has been directed to do so by the Instructing Party.

None of the Note Trustee, the Security Trustee or the resigning Cash Manager shall be responsible or have any liability if a Replacement Cash Manager cannot be found or appointed in accordance with the terms of the Cash Management Agreement.

The Cash Manager has undertaken to indemnify each of the Issuer, the Note Trustee and the Security Trustee on demand on an after Tax basis for any properly incurred expense and any loss or liability suffered or incurred by any of them as a direct result of the fraud, gross negligence or wilful default of the Cash Manager in carrying out its functions as Cash Manager other than where such loss or liability suffered or incurred by any of them is a direct result of the gross negligence, fraud or wilful default of the Issuer, the Note Trustee or the Security Trustee (as applicable).

In accordance with the terms of the Cash Management Agreement, the Issuer will pay to the Cash Manager for its services a cash management fee as set out in a fee letter entered into on or prior to the Closing Date between the Issuer and the Cash Manager (the "**Cash Management Fee**").

Governing Law

The Cash Management Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

4. AGENCY AGREEMENT

On the Closing Date, pursuant to the terms of the Agency Agreement, the Issuer will appoint the Paying Agent to act as paying agent with respect to the Notes and to forward payments to be made by the Issuer to the Noteholders and the Issuer will appoint the Registrar and the Registrar will agree to, among other things, maintain a register in respect of the Notes.

The functions, rights and duties of the Paying Agent are set out in the Conditions. See "*CONDITIONS OF THE NOTES*".

The Agency Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

5. CORPORATE SERVICES AGREEMENT

Pursuant to a Corporate Services Agreement dated on the Closing Date, the Corporate Services Provider provides the Issuer with certain corporate and administrative functions. Such services include, *inter alia*, providing the directors of the Issuer, keeping the corporate records, convening director's meetings, providing registered office facilities and suitable office accommodation, preparing and filing all statutory and annual returns, preparing the financial statements and performing certain other corporate administrative

services against payment of a fee, which shall be paid in accordance with the applicable Priority of Payments (the "**Corporate Services**").

The Corporate Services Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

The Corporate Servicer Provider may terminate the Corporate Services Agreement , or the Corporate Services Agreement may be terminated by the Issuer (with the prior written consent of the Security Trustee), in each case, upon 90 days' prior written notice. Additionally, the Issuer (with the prior written consent of the Security Trustee) has the right to terminate the Corporate Services Agreement forthwith at any time by notice in writing to the Corporate Services Provider if the Corporate Services Provider commits a material breach of any of the terms or conditions of the Corporate Services Agreement or any of the Transaction Documents and fails to remedy this breach within 30 days of being required to do so. The Corporate Services Provider may also terminate the Corporate Services Agreement if the Issuer commits a material breach of any of the terms or conditions of the Corporate Services Agreement and fails to remedy the breach within 30 days of being required to do so. No termination of the Corporate Services Agreement shall take effect until a substitute Corporate Services Provider (approved in writing by the Security Trustee) has been appointed.

6. **BANK ACCOUNT AGREEMENT**

On the Closing Date, pursuant to the Bank Account Agreement, the Account Bank will be appointed by the Issuer to hold the Issuer Accounts for the Issuer. During the life of the Transaction, the Account Bank shall maintain at least the Required Ratings.

The functions, rights and duties of the Account Bank are set out in the Bank Account Agreement.

Pursuant to the Bank Account Agreement, the Issuer will maintain with the Account Bank the Transaction Account, the Reserve Account and the Swap Collateral Account which will be operated in accordance with the Bank Account Agreement, Cash Management Agreement, the Deed of Charge and, in relation to the Swap Collateral Account, the Swap Agreement.

Interest

Any amount standing to the credit of any Issuer Account overnight will bear interest at such deposit rate of interest as may be agreed (if any) between the Account Bank and the Issuer from time to time. To the extent such rate is a negative number, this would result in a charge payable by the Issuer to the Account Bank and will be and will be debited from the relevant Issuer Account on each relevant Interest Payment Date.

Account Bank rating requirements

If the Account Bank ceases to have all of the following ratings:

(a) a long term rating of "A" from S&P; and

(b) a long term deposit rating (or, in the absence of such a rating with respect to such entity, an issuer default rating) of "A" or a short term deposit rating (or, in the absence of such a rating with respect to such entity, an issuer default rating) of "F1" from Fitch,

or such other rating or ratings as may be agreed by the relevant Rating Agency from time to time (or as are consistent with the then published criteria of the relevant Rating

Agency) as would maintain the then current ratings of the Class A Notes (the "**Required Ratings**") then, within 30 calendar days of the first day on which such downgrade occurred, one of the following will occur:

(i) the Issuer Accounts may be closed by, or on behalf of, the Issuer and all amounts standing to the credit thereof shall be transferred by, or on behalf of, the Issuer within to new replacement accounts held with a financial institution (i) having at least the Required Ratings; (ii) which is a bank for the purposes of section 878 of the Income Tax Act 2007 as defined in Section 991 of the Income Tax Act 2007; and (iii) being an authorised institution under the Prudential Regulation Authority;

(ii) a guarantee has been received by the Issuer from an entity having the Required Ratings guaranteeing the obligations of the Account Bank under the Bank Account Agreement; or

(iii) a Rating Agency Confirmation has or will be obtained by (or on behalf of) the Issuer or the Account Bank will take such other actions as may be reasonably requested by the parties to the Bank Account Agreement (other than the Security Trustee) at the cost of the Issuer to ensure that the rating of the Class A Notes immediately prior to the Account Bank ceasing to have the Required Ratings is not adversely affected by the Account Bank ceasing to have all of the Required Ratings.

If the Account Bank fails to comply with the above, the Account Bank's appointment will be terminated by the Issuer (with prior written notice to the Security Trustee) (such termination being effective on a replacement account bank being appointed by the Issuer). If the Issuer should fail to appoint such successor account bank within 30 calendar days after receipt of the termination notice given by the Issuer, then the existing Account Bank may select a leading bank of international repute having at least the Required Ratings, which is a bank for the purposes of section 878 of the Income Tax Act 2007 as defined in Section 991 of the Income Tax Act 2007 and being an authorised institution under the Prudential Regulation Authority, to act as Account Bank and the Issuer shall appoint that bank as the successor Account Bank. The Account Bank shall continue to provide services under the Bank Account Agreement in any case until a successor Account Bank meeting the above conditions is validly appointed by the Issuer.

Governing Law

The Bank Account Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

7. SWAP AGREEMENT

The Issuer has entered into the Swap Agreement. The purpose of the Swap Agreement is to mitigate the interest rate risk of the Issuer arising in connection with the issuance of the Class A Notes. The Swap Agreement consists of a 2002 ISDA Master Agreement, the schedule thereto, an interest rate swap confirmation and a credit support annex thereunder.

Pursuant to the terms of the swap transaction evidenced by the swap confirmation entered into between the Issuer and the Swap Provider under the Swap Agreement entered into by the Issuer and the Swap Provider on or around the Closing Date (the "**Swap Transaction**"), the following amounts will be calculated in respect of each swap calculation period: (a) an amount (the "**Issuer Swap Amount**") equal to the product of (i) the Swap Notional Amount for such swap calculation period, (ii) a fixed rate (as specified

in the Swap Agreement) and (iii) the Fixed Day Count Fraction, and (b) an amount (the "**Swap Provider Swap Amount**") equal to the product of (i) the Swap Notional Amount for such swap calculation period, (ii) Swap SONIA as determined for such swap calculation period and (iii) the Floating Day Count Fraction.

Under the terms of the Swap Transaction, in respect of each swap calculation period for which Swap SONIA is not negative, a payment amount (which can be zero) will be calculated under the Swap Agreement for the swap payment date corresponding to such swap calculation period as follows:

(a) If the Issuer Swap Amount exceeds the Swap Provider Swap Amount, the Issuer will pay such excess to the Swap Provider (or such excess will be paid to the Swap Provider on the Issuer's behalf).

(b) If the Swap Provider Swap Amount exceeds the Issuer Swap Amount, the Swap Provider will pay such excess to the Issuer.

(c) If the Swap Provider Swap Amount is equal to the Issuer Swap Amount, neither party will make a payment to the other.

Under the terms of the Swap Transaction, in respect of each swap calculation period for which Swap SONIA is negative, the Issuer will make a payment to the Swap Provider (or such payment will be made to the Swap Provider on the Issuer's behalf) on the swap payment date corresponding to such swap calculation period, in an amount equal to (a) the applicable Issuer Swap Amount, plus (b) the absolute value of the applicable Swap Provider Swap Amount. In such circumstances, the Swap Provider would not be required to make any scheduled payment to the Issuer on that swap payment date under the terms of the Swap Transaction.

The Swap Agreement will be constructed to fulfil the criteria of the Rating Agencies to support the target ratings for the Class A Notes. The Swap Agreement is governed by English law.

Payments by the Swap Provider to the Issuer under the Swap Agreement (except for payments by the Swap Provider into the Swap Collateral Account) will be made into the Transaction Account. Payments by the Swap Provider to the Issuer will be made free and clear of, and without any withholding or deduction for or on account of, tax, unless such withholding or deduction is required by law (or pursuant to FATCA). If the Swap Provider is required to withhold or deduct for or on account of tax (other than any FATCA Deduction), it will increase the amount of the payment due to the Issuer to an amount which (after making the withholding or deduction) leaves an amount equal to the payment which would have been received if no withholding or deduction had been required.

Events of default under the Swap Agreement applicable to the Issuer are limited to, and (among other things) events of default applicable to the Swap Provider include, the following:

(a) failure to make a payment under the Swap Agreement when due, if such failure is not remedied within one Business Day of notice of such failure being given; and

(b) in respect of the Issuer, the occurrence of an Insolvency Event set out under Condition 10(a) (*Events of Default*) and, in respect of the Swap Provider, the occurrence of certain bankruptcy and insolvency events.

Termination events under the Swap Agreement include, among other things, the following:

(a) illegality of the transactions contemplated by the Swap Agreement or a force majeure or act of state means a party who makes or receives payments under the Swap Agreement is prevented from making or receiving such payments under the Swap Agreement or performing a material obligation under the Swap Agreement or it becomes impossible to so pay, receive or comply;

(b) either party is required to pay additional amounts under the Swap Agreement due to certain taxes, or has the amount payable to it under the Swap Agreement reduced due to certain taxes, and a transfer to another office or affiliate of the Swap Provider that would eliminate the effect of such taxes has not taken place after the time set forth in the Swap Agreement;

(c) a Note Acceleration Notice is served or exercise of optional redemption for tax reasons pursuant to Condition 5(b) (*Optional redemption for taxation reasons*) or exercise of a Clean-Up Call pursuant to Condition 5(d);

(d) the benchmark rate on the Class A Notes is changed and the Alternative Benchmark Rate is different to the benchmark rate under the Swap Agreement;

(e) an amendment is made to the Transaction Documents which affects, inter alia, the Swap Provider's rights in relation to any security granted by the Issuer in favour of the Security Trustee or the Swap Provider's rights in respect of the management of and control over the amounts standing to the credit of the Swap Collateral Account without the prior written consent of the Swap Provider;

(f) the failure of the Swap Provider to maintain its credit rating at certain levels required by the Swap Agreement, which failure may not constitute a termination event if (in the time set forth in the Swap Agreement) the Swap Provider:

(i) posts an amount of collateral as calculated in accordance with the credit support annex to the Swap Agreement; and/or

(ii)

(1) obtains a guarantee from an institution with an acceptable rating; or

(2) transfers its rights and obligations under the Swap Agreement to a successor Swap Provider which is an Eligible Swap Provider; or

(3) takes such other action in order to maintain the ratings of the Class A Notes, or to restore the rating of the Class A Notes to the level they would have been at immediately prior to such downgrade.

Upon the occurrence of any event of default or termination event specified in the Swap Agreement, the non-defaulting party (in case of an event of default) or the person(s) specified in the Swap Agreement as having such right (in case of a termination event) may, after a period of time set forth in the Swap Agreement, elect to terminate the Swap Transaction under the Swap Agreement. If the Swap Transaction under the Swap Agreement is terminated due to an event of default or a termination event, a Swap Termination Payment may be due from the Swap Provider to the Issuer or from the Issuer to the Swap Provider.

The Swap Termination Payment will be calculated and made in Sterling. The amount of any termination payment will be based on the 2002 ISDA Master Agreement standard methodology for calculating such amount based on the standard close-out amount definition.

A segregated Swap Collateral Account is established with the Account Bank and security created over such account in favour of the Security Trustee in accordance with provisions in the Bank Account Agreement and the Deed of Charge. Any cash collateral posted to such Swap Collateral Account as a result of a ratings downgrade (as referred to above) shall bear interest. Such cash collateral shall be segregated from the Transaction Account and from the general cash flow of the Issuer and shall not constitute Collections. Collateral posted to such Swap Collateral Account is solely for the purposes of, and in connection with, collateralising the Swap Agreement.

The Swap Transaction under the Swap Agreement incorporates the definitions and provisions contained in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. It further incorporates the ISDA Benchmarks Supplement, and therefore benefits from the application of a permanent cessation fallback pursuant to the fallbacks provisions of the ISDA Benchmarks Supplement, which, broadly speaking, are intended to apply an alternative floating rate for the Swap Transaction following the occurrence of an Index Cessation Event (as defined in the ISDA Benchmarks Supplement) in respect of GBP SONIA. The alternative floating rate specified in the ISDA Benchmarks Supplement for permanent cessation of GBP SONIA is the fallback rate recommended by the administrator of GBP SONIA, the Bank of England (or in the alternative, by a committee established by the FCA for the purpose of recommending a fallback), or if no such rate is recommended, the Bank of England's bank rate as set by its monetary policy committee.

The Swap Provider may transfer its rights and obligations under the Swap Agreement to a third party which is an Eligible Swap Provider, pursuant to the conditions set out in the Swap Agreement.

The Swap Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

8. DEED OF CHARGE

The Notes and the Subordinated Loan are secured and will share the Security with the other Secured Obligations of the Issuer as set out in the Deed of Charge. The security granted by the Issuer includes:

(a) an assignment by way of first fixed security of all of its present and future right, title, interest and benefit to, in and under the Purchased Receivables and their related Ancillary Rights and the proceeds of any interests;

(b) an assignment by way of first fixed security of all of its present and future right, title, interest and benefit to, in and under the Collection Account Declaration of Trust;

(c) an assignment by way of first fixed security of all its right, title, interest and benefit, present and future, in, under and to all sums of money which may now be or hereafter are from time to time standing to the credit of the Issuer Accounts together with all interest accruing from time to time thereon and the debts represented thereby and the proceeds of any interests (which, in the case of a fixed charge, may take effect as a floating charge and so rank behind the claims of preferential creditors of the Issuer);

(d) an assignment by way of first fixed security (or, to the extent not assignable, charges by way of a first fixed charge over) of the benefit of the Issuer's right, title, interest and benefit, present and future, under each Charged Document (other than the Deed of Charge) and the proceeds of any interests; and

(e) a first floating charge over all the assets and undertaking, present and future, of the Issuer (including any property or assets from time to time or for the time being effectively charged by way of fixed charge or assigned by way of security, and the whole of the Issuer's undertaking, property assets and rights situated in Scotland or otherwise governed by Scots law).

In addition, as continuing security for the payment or discharge of the Secured Obligations, the Issuer granted and will grant Assignations in Security in favour of the Security Trustee, for itself and on trust for the Secured Creditors relative to the Scottish Declarations of Trust under which TFSUK holds and will hold in trust for the Issuer, inter alia, all its present and future rights, title and interest in, to and under the Scottish Receivables.

Notwithstanding the security granted over the Issuer Accounts, the Issuer and the Cash Manager are (prior to service of a Note Acceleration Notice) permitted to instruct payments out of such accounts for the purposes, among other things, of making payments and transfers in accordance with the Deed of Charge, the Cash Management Agreement and the Agency Agreement, and, prior to service of a Note Acceleration Notice, to make payments to third parties when these fall due. See further the paragraph headed "*Fixed charges may take effect under English law as floating charges*" in the section headed "*Risk Factors*".

The Issuer has undertaken that it will at all times maintain hedging arrangements on terms substantially similar to those in the Swap Agreement.

Enforcement of the Security

If the Note Trustee serves a Note Acceleration Notice on the Issuer and the Security Trustee, and the Security thereby becomes enforceable, the Note Trustee may at its discretion direct the Security Trustee to take action to enforce the Security, and will direct the Security Trustee to take such action to enforce the Security if so directed by the holders of at least 25% in Aggregate Outstanding Note Principal Amount of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes (subject, in each case, to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction).

To the extent that the Note Trustee acts in accordance with such directions of the Most Senior Class of Notes, as described above, it will have no obligation to take the interests of any other party into account or to follow any direction given by any other party. Only the Note Trustee and the Security Trustee may enforce the rights of the Noteholders and the Subordinated Lender against the Issuer, whether the same arise under general law, the Conditions, any Transaction Document or otherwise.

Waivers, consents and approvals

The Security Trustee will waive or authorise any breach or proposed breach by the Issuer or any other person of any of the covenants or provisions of any Transaction Document only if so directed by the Instructing Party.

If a request is made to the Security Trustee by the Issuer or any other person to give its consent or approval to any matter, then if any Transaction Document specifies that the Security Trustee is required to give its consent or approval to that matter if certain specified conditions are satisfied the Security Trustee will give its consent or approval to that matter upon being reasonably satisfied that those specified conditions have been satisfied. In any other case, the Security Trustee shall give its consent or approval to that event, matter or thing only if so directed by the Instructing Party.

Post-Acceleration Priority of Payments

Following service of a Note Acceleration Notice on the Issuer, the Security Trustee (or the Cash Manager on its behalf) is required to apply moneys available for distribution to satisfy the amounts owing by the Issuer in the Post-Acceleration Priority of Payments.

Shortfall after application of net proceeds of the Security

The Notes and the Subordinated Loan are limited recourse obligations of the Issuer and if the net proceeds of the Security being enforced and liquidated in accordance with the Deed of Charge are not sufficient to pay the Notes and the Subordinated Loan after payment of all other claims ranking in priority thereto, no other assets of the Issuer will be available for any further payments on the Notes and the Subordinated Loan. If, after the distribution of all the Issuer's assets, there are amounts that are not paid in full, any amounts outstanding will be deemed to be discharged in full and any payment rights are deemed to cease as described in more detail in Condition 11 (*Enforcement and non-petition*).

Security Trustee's retirement and removal

The Security Trustee may retire at any time on giving not less than 30 days' prior written notice to the Issuer without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement. The Security Trustee may also be removed on not less than 30 days' written notice following an Extraordinary Resolution of the Most Senior Class of Notes. In each case, the retirement or removal of the Security Trustee will not become effective until a successor trustee which is a trustee with requisite capital markets experience is appointed. If a successor trustee has not been appointed within 45 days of the notice of retirement or direction following an Extraordinary Resolution of the Most Senior Class of Notes (as applicable), the Security Trustee may appoint a trustee with requisite capital markets experience as successor security trustee and such appointment will need to be approved by an Extraordinary Resolution of the Most Senior Class of Notes.

Governing Law

The Deed of Charge will be governed by English law but any term particular to the law of Scotland will be construed in accordance with the laws of Scotland. The Assignations in Security will be governed by the laws of Scotland.

9. **TRUST DEED**

The Notes will be constituted pursuant to the Trust Deed to be entered into on the Closing Date between the Issuer and the Note Trustee.

CSC Trustees Limited will agree to act as Note Trustee subject to the conditions contained in the Trust Deed.

The Trust Deed contains provisions requiring the Note Trustee to take into account the interests of the Class A Noteholders and the Class B Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise), but requiring the Note Trustee in any such case:

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

(b) following the redemption in full of the Class A Notes, to take into account only the interests of the Class B Noteholders .

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

Any Note Trustee for the time being of the Transaction Documents may retire at any time upon giving not less than 60 days' prior written notice in writing to the Issuer without assigning any reason therefor and without being responsible for any Liabilities occasioned by such retirement. In addition, Noteholders of the Most Senior Class of Notes may, acting by Extraordinary Resolution passed at any meeting of the Most Senior Class of Notes, direct the removal of the Note Trustee.

No such retirement or removal of any Note Trustee shall become effective unless there remains a trustee in each of the Transaction Documents to which it is then a party (being a trustee with requisite capital markets experience). If, following the service of a retirement notice by a trustee of these presents, the Issuer has not appointed a new trustee within 45 days of the date of such notice; the Note Trustee shall be entitled to appoint a trustee with requisite capital markets experience as Note Trustee in each of the Transaction Documents to which it was formerly a party.

The Trust Deed will contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and providing for its indemnification in certain circumstances.

The Trust Deed provides that the Note Trustee will be obliged to take action on behalf of the Noteholders and the Secured Creditors in certain circumstances, provided always that the Note Trustee is indemnified and/or secured and/or prefunded to its satisfaction. Further, the Note Trustee will not be obliged to act on behalf of the Noteholders or any other Secured Creditors where it would not have the power to do so by virtue of any applicable law or where such action would be illegal in any applicable jurisdiction.

In accordance with the terms of the Trust Deed, the Issuer will pay a fee to the Note Trustee for its services under the Trust Deed at the rate and times agreed (and as amended from time to time) between the Issuer and the Note Trustee together with payment of any liabilities incurred by the Note Trustee in relation to the Note Trustee's performance of its obligations under the Trust Deed.

The Conditions of the Notes, including a summary of the provisions regarding Meetings of the Noteholders, are reproduced in full in the section headed "*CONDITIONS OF THE NOTES*".

The Trust Deed and any non-contractual obligations arising out of or in connection with it will be governed by English law.

10. THE SUBORDINATED LOAN AGREEMENT

Pursuant to the Subordinated Loan Agreement, a committed subordinated term loan will be made available to the Issuer by the Subordinated Lender. Pursuant to the terms of the Subordinated Loan Agreement, the Issuer undertakes to draw all amounts committed thereunder (being an amount of GBP 7,000,000) on or before the Closing Date which the Issuer will credit to the Reserve Fund.

The Subordinated Loan will be repaid in accordance with the applicable Priority of Payments.

All interest payments to the Subordinated Lender will, amongst others, be subordinated to the Issuer's obligations to pay interest in respect of the Notes. To the extent that, on any Interest Payment Date (other than the Legal Maturity Date), there are insufficient funds to pay in full amounts of interest due on the Subordinated Loan, the amount of shortfall in interest will not fall due on that Interest Payment Date. Instead the Issuer will create a provision in its accounts for the interest shortfall on the relevant Interest Payment Date and the shortfall shall become payable on subsequent Interest Payment Dates in accordance with the applicable Priority of Payments.

All payments of interest and principal payable by the Issuer to the Subordinated Lender will be made free and clear of, and without any withholding or deduction for or on account of, Tax (if any) applicable to the Subordinated Loan, unless such withholding or deduction is required by law (or pursuant to FATCA). If any such withholding or deduction is imposed, the Issuer will not be obliged to pay any additional or further amounts as a result thereof.

The Subordinated Loan will constitute limited recourse obligations of the Issuer. The Subordinated Lender will also agree under the Subordinated Loan Agreement not to take any corporate action or any legal proceedings regarding some or all of the Issuer's revenues or assets, and not to have any right to take any steps for the purpose of obtaining payment of any amounts payable to it under the Subordinated Loan Agreement by the Issuer. All of the Issuer's obligations to the Subordinated Lender will be subordinated to the Issuer's obligations in respect of the Notes. The claims of the Subordinated Lender will be secured by the Security, subject to the applicable Priority of Payments. If the net proceeds, resulting from the Note Acceleration Notice being served on the Issuer, are not sufficient to pay all Secured Creditors, payments of all other claims ranking in priority to the Subordinated Loan will be made first in accordance with the Post-Acceleration Priority of Payment and no other assets of the Issuer will be available for payment of any shortfall to the Subordinated Lender. Claims in respect of any such remaining shortfall will be extinguished.

11. THE REDELIVERY REPURCHASE AGREEMENT

The Issuer will enter into a Redelivery Repurchase Agreement with TFSUK. Subject to an Insolvency Event not having occurred in respect of TFSUK if, on any day during a Calculation Period, (i) an Underlying Agreement related to a Purchased Receivable becomes a Redelivery Underlying Agreement (such Purchased Receivable being a "**Redelivery Purchased Receivable**"), then on the Interest Payment Date falling after the end of such Calculation Period (or, at the option of TFSUK, on the second Interest Payment Date falling after the end of such Calculation Period) (such date being the "**Redelivery Repurchase Date**"), TFSUK shall repurchase the Redelivery Purchased Receivable from the Issuer for a price equal to the Redelivery Repurchase Price; or (ii) a Purchased Receivable becomes a Rescheduled Receivable, then on the Interest Payment Date falling after the end of such Calculation Period (or, at the option of TFSUK, on the second Interest Payment Date falling after the end of such Calculation Period) (such date being the "**Rescheduled Receivable Repurchase Date**"), TFSUK shall repurchase the Rescheduled Receivable from the Issuer for a price equal to the Rescheduled Receivable Repurchase Price.

The Seller is not obliged to repurchase any Redelivery Purchased Receivable or any Rescheduled Receivable if, on the Redelivery Repurchase Date or the Rescheduled Receivable Repurchase Date (as the case may be), such Purchased Receivable is a

Delinquent Receivable or a Defaulted Receivable or (for the avoidance of doubt) as a result of the early settlement of any Purchased Receivable during the relevant Calculation Period.

12. THE COLLECTION ACCOUNT DECLARATION OF TRUST

On or about the Closing Date the Issuer will become a beneficiary of the trust over the Seller Collection Accounts under the Collection Account Declaration of Trust.

The interest of the Issuer under such trust shall be from time to time such proportion of the amount standing to the credit of the Seller Collection Accounts as the amounts derived from Purchased Receivables comprised in the Portfolio and their Ancillary Rights shall at the relevant time bear to the total amount standing to the credit of the Seller Collection Accounts at that time. The Seller's interest under such trust shall be such proportion of the amount standing to the credit of the Seller Collection Accounts which is not allocated to the Issuer.

DESCRIPTION OF THE PORTFOLIO

The following is a description of the Portfolio.

1. THE RECEIVABLES

The Purchased Receivables comprise claims against borrowers (or any guarantors) ("**Obligors**") in respect of payments due under Underlying Agreements (excluding Excluded Amounts) for the provision of credit for the purchase or hire of new and used motor vehicles. The Underlying Agreements are governed by English law.

The Underlying Agreements are a traditional method of financing a vehicle whereby the Obligor pays for the use of a vehicle over an agreed period of time for agreed regular payments and take the form of hire purchase agreements ("**HP Agreements**") or personal contract purchase agreements ("**PCP Agreements**") between the Obligors and TFSUK. In some cases the obligor may pay a deposit in respect of the Vehicle but this is not necessarily a requirement. Although the Obligor is the registered keeper of the Vehicle during the hire period, TFSUK retains ownership (title) to the Vehicles. The Underlying Agreements contain provisions entitling, but not obliging, the Obligor to purchase the Vehicle at the end of the period contemplated in the Underlying Agreements, upon payment of certain administrative fees or larger final monthly payments (and subject to an "all monies" clause), following payment of which the Obligor gains title to the Vehicle. Interest is calculated on the amount financed after the deposit has been paid.

The Purchased Receivables assigned to the Issuer pursuant to the Receivables Sale and Purchase Agreement have not been subject to a prior transfer.

As at each Purchase Date, each Underlying Agreement meets the conditions for being assigned a standardised risk weight equal to or smaller than 75% on an individual exposure basis where the exposure is a retail exposure, or for any other exposures equal to or smaller than 100% on an individual exposure basis, as such terms are described in Article 243 of the CRR.

HP Agreements

Mainly directed at retail Obligors, HP Agreements are available for both new and used vehicles. HP Agreements contain standard rental terms where an initial payment is made and then the balance is amortised in substantially equal monthly instalments. At the end of the term of the HP Agreement, after all sums due under the agreement, including where required, plus an additional "option to purchase" fee are paid, the Obligor owns the Vehicle.

PCP Agreements

PCP Agreements are used for the financing of new and used vehicles in the retail market. PCP Agreements are similar to HP Agreements but with an optional larger balloon payment at the end of the term of the PCP Agreement should the Obligor wish to take title to the Vehicle. Under PCP Agreements, the Obligor can either settle the contract by paying the balloon payment (and thereby purchase the vehicle) or, subject to the Vehicle being within the agreed mileage (or if not, the Obligor paying an Excess Mileage charge for all mileage exceeding the agreed mileage) and, where applicable, the Obligor reimbursing TFSUK in respect of any costs incurred by TFSUK to refurbish the Vehicle to a condition acceptable to TFSUK, and the Obligor being up to date with regular monthly repayments (or clearing any arrears of monthly payments and other fees and charges which have fallen due during the term of the agreement), return the vehicle to TFSUK in full effecting the final settlement of the PCP Agreement.

Where the Obligor chooses not to return the vehicle, title in the vehicle passes to the Obligor when the Obligor, where required, pays the additional optional balloon payment to TFSUK. Where the Obligor chooses to return the vehicle, TFSUK then acts as the Obligor's agent in selling the vehicle and the sale proceeds of the vehicle are applied to settle the final rental amount. Any surplus on sale in excess of such final rental amount is retained by TFSUK as commission for acting as the Obligor's agent and is not passed back to the Obligor. The sale proceeds of the vehicle, including any surplus on sale in excess of the final rental amount, are transferred to the Issuer as Collections. Any shortfall between the sale proceeds and the final rental amount is not recovered from the Obligor.

During the last six months of 2023, in respect of maturing PCP Agreements, fewer than 0.15 per cent. of the Obligors returned the vehicle for sale to TFSUK.

2. **THE PURCHASE PRICE**

The Initial Purchase Price will be payable by the Issuer to the Seller in respect of the Initial Receivables and the Ancillary Rights relating to such Initial Receivables comprised in the Portfolio on the Closing Date. The Additional Purchase Price in respect of the Additional Receivables and the Ancillary Rights relating to such Additional Receivables that are purchased on such date will be payable by the Issuer to the Seller on each Additional Purchase Date. The Purchase Price in respect of each Receivable equals the sum of:

(a) the Discounted Receivables Balance for such Receivable as at the relevant Cut-Off Date; and

(b) the amount payable by the Issuer as Deferred Consideration (if any) on each Interest Payment Date subject to the Priority of Payments.

The Class A Notes and the Class B Notes issued by the Issuer are 100% collateralised by the Portfolio of Purchased Receivables.

3. **ELIGIBILITY CRITERIA**

The Seller will represent and warrant to the Issuer and the Security Trustee that each Initial Receivable to be transferred to the Issuer on the Closing Date complied with the Eligibility Criteria and the Concentration Limits as at the Initial Cut-Off Date and that each Additional Receivable to be transferred to the Issuer on the relevant Additional Purchase Date complies with the Eligibility Criteria and such Receivables, together with all other Purchased Receivables, meet the Concentration Limits as at the relevant Additional Cut-Off Date.

"**Eligibility Criteria**" means, in respect of any Receivable (including, to the extent expressly specified below, its Ancillary Rights) or, as the case may be, the related Underlying Agreement from which it is derived, that:

(a) it is governed by the Laws of England and Wales or Scotland;

(b) it has been entered into exclusively with Obligors which, if they are an individual, have its place of residence, at the time of entry into the Underlying Agreement, in England, Wales or Scotland or, if they are a company, at the time of entry into the Underlying Agreement, has its registered office in England, Wales or Scotland;

(c) the Underlying Agreement under which the relevant Receivable arises is in full force and effect and constitutes the legal, valid and binding obligations of the related Obligor, enforceable with full recourse against such Obligor except as

such enforcement against such Obligor may be limited by any applicable insolvency law or by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), in each case, under all Applicable Laws;

(d) does not require the Obligor to consent to the transfer, sale or assignment of the rights and obligations of the Seller under such Underlying Agreement or to the sale of a Vehicle to a third party;

(e) the Underlying Agreement under which the relevant Receivable arises does not contravene any Law (including, without limitation, the CCA, the Unfair Terms in Consumer Contracts Regulation 1999, FSMA and the Financial Services (Distance Marketing) Regulations 2004) applicable thereto, except to the extent any such contravention could not reasonably be expected to have a Material Adverse Effect;

(f) it has not been subject to any variation, modification, or waiver which may adversely affect its enforceability as at the relevant Cut-Off Date;

(g) the Underlying Agreement under which the relevant Receivable arises is not subject to any claim, equity, defence, right of retention or set off by the Obligor except by virtue of section 56 or 75 of the CCA;

(h) the terms of the Underlying Agreement under which the relevant Receivable arises require the Obligor to insure the Vehicle which is the subject thereof;

(i) it is not subject to an order made (and no order had been made) under Section 140B of the CCA as at the relevant Cut-Off Date;

(j) which arose pursuant to an Underlying Agreement for which the Seller has performed all obligations required to be performed by the Seller under such Underlying Agreement in order to have such Purchased Receivable become due and payable;

(k) which is denominated and payable in Pounds Sterling;

(l) it is a Current Receivable;

(m) according to the Seller's records and to the best of its knowledge as at the relevant Cut-Off date, is due from a Obligor who:

(i) has neither been declared insolvent nor had a court grant its creditors a final non appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt- restructuring process with regard to its non-performing exposures within three years prior to the date of transfer or assignment of the relevant Receivables to the Issuer; or

(ii) has neither a credit assessment nor a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the Seller which are not securitised;

(n) the Obligor was, at the time of origination, not on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the Seller;

(o) provides for fixed interest rate (which, for the avoidance of doubt, can be equal to zero but cannot be negative) and is fully amortising, through payments of constant monthly instalments (save in respect of the AccessFlex Contracts or a payment holiday thereunder) and at most one balloon payment;

(p) is payable by direct debit;

(q) was originated and serviced in the ordinary course of the Seller's business and in accordance with the Credit and Collection Procedures;

(r) has been validly sold and assigned by the Seller to the Issuer pursuant to (and in accordance with) the Receivables Sale and Purchase Agreement with the result that the Issuer is its beneficial owner and has good and marketable title thereto free and clear of any security interests;

(s) with respect to:

(i) the sale and transfer by the Seller to the Issuer pursuant to the Receivables Sale and Purchase Agreement; and

(ii) the grant of a charge, security interest, or pledge, in respect of such Purchased Receivable to the Security Trustee, on behalf of the Secured Creditors, pursuant to, and in accordance with, the Deed of Charge,

in each case, does not violate, conflict with or contravene any applicable Law or any contractual or other restriction, limitation or encumbrance (including any restriction or limitation under the related Underlying Agreement) and does not require the consent of or notice to the applicable Obligor or any other Person other than such consents as have been obtained and notices that have been given;

(t) had a Discounted Receivables Balance higher than £100 and lower than £75,000 as at the relevant Cut-Off Date;

(u) provides for all monthly payments due by the relevant Obligor are scheduled to be made within 60 months of the date that such Receivable is originated;

(v) has had at least one scheduled Monthly Payment made in respect of it by the Obligor as at the relevant Cut-Off Date;

(w) does not contain any ongoing monthly maintenance obligations or any obligation on the Seller or the Issuer to provide any insurance in relation to the related Underlying Agreement;

(x) is not subject to a Refinanced Underlying Agreement;

(y) relates to a Vehicle which is registered with a nationally recognised agency that regulates and records interests in vehicles;

(z) is not owed by an Obligor having failed to notify the Servicer of an early termination or early settlement of the related Underlying Agreement as at the relevant Cut-Off Date;

(aa) does not relate to a Vehicle which is recorded in the records of the Seller, or which the Seller is otherwise aware, as at the relevant Cut-Off Date as having been: (i) a total loss for insurance purposes, or (ii) stolen;

(bb) it meets the conditions for being assigned a standardised risk weight equal to or smaller than 75% on an individual exposure basis where the exposure is a retail exposure, or for any other exposures equal to or smaller than 100% on an individual exposure basis, as such terms are described in Article 243 of the CRR;

(cc) is not a Delinquent Receivable or a Defaulted Receivable or a Redelivery Purchased Receivable or a Rescheduled Receivable as at the relevant Cut-Off Date;

(dd) the Underlying Agreement has been originated and entered into in accordance with the Standard Documentation;

(ee) no withholding taxes are applicable to any payments in respect of the Receivables;

(ff) neither the Receivable nor any of the security relating thereto is or includes stock or a marketable security (as such terms are defined for the purposes of section 122 of the Stamp Act 1891), a chargeable security (as such term is defined for the purposes of section 99 of the Finance Act 1986), a chargeable interest (as such term is defined for the purposes of section 48 of the Finance Act 2003, section 4 of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 or section 4 of the Land and Buildings Transaction Tax (Scotland) Act 2013); and

(gg) was originated on or after 1 February 2021.

"**Concentration Limits**" means, as at the relevant Cut-off Date in respect of any Receivable (including, to the extent expressly specified below, its Ancillary Rights) or, as the case may be, the related Underlying Agreement from which it is derived, together with all other Purchased Receivables must satisfy the following criteria:

(a) no more than 65% of the Aggregate Discounted Receivables Balance of Purchased Receivables are due in relation to used vehicles (whether as a result of the sale of an Additional Receivable or otherwise);

(b) no more than 10% of the Aggregate Discounted Receivables Balance of the Purchased Receivables are owed by commercial obligors (whether as a result of the sale of an Additional Receivable or otherwise);

(c) no more than 30% of the Aggregate Discounted Receivables Balance of the Purchased Receivables are relating to Vehicles with brands other than those belonging to Toyota or Lexus (whether as a result of the sale of an Additional Receivable or otherwise);

(d) the Aggregate Discounted Receivables Balance of the Purchased Receivables owed by the same Obligor shall be no more than £200,000 (whether as a result of the sale of an Additional Receivable or otherwise); and

(e) the portion of the Aggregate Discounted Receivables Balance representing the PCP Residual Value Amount outstanding on the Determination Date as a percentage of the total Aggregate Discounted Receivables Balance on the Determination Date is no more than 65% (whether as a result of the sale of an Additional Receivable or otherwise).

The Seller will give representations and warranties as to the compliance of the Purchased Receivables with the Eligibility Criteria and the Concentration Limits, and shall be required to repurchase any Purchased Receivable in respect of which there is a breach of such

representations and warranties, as described in the section "*Seller Receivables Warranties*" below.

4. **SELLER RECEIVABLES WARRANTIES**

The Seller represents and warrants to the Issuer and the Security Trustee in respect of each Purchased Receivable to be transferred to the Issuer and the related Underlying Agreement, and with reference to the facts and circumstances subsisting (unless stated to the contrary in the Receivables Sale and Purchase Agreement) as at the relevant Cut-Off Date as follows:

(a) **Compliance with Eligibility Criteria:** Each Receivable and each related Underlying Agreement complies in all respects with the Eligibility Criteria;

(b) **Compliance with Concentration Limits:** Each Receivable for sale on such Purchase Date and each related Underlying Agreement, together with all other Purchased Receivables, complies in all respects with the Concentration Limits;

(c) **Legal and beneficial ownership:** Immediately prior to the applicable Cut-Off Date, the Seller is the sole legal and beneficial owner of each Receivable and the Ancillary Rights thereto;

(d) **Enforceability:** The Seller can dispose of the Purchased Receivables free from rights of third parties and, to the best of the Seller's knowledge, the Purchased Receivables are not in a condition that can be foreseen to adversely affect the enforceability of the assignment;

(e) **Variations:** on each date on which a Variation is agreed in respect of a Purchased Receivable, the Variation is not a Non-Permitted Variation;

(f) **The Seller's Records:** The Seller (or the Seller's agents on the Seller's behalf) has maintained records relating to each Receivable and related Underlying Agreement which are accurate and complete in all material respects and which, to the best of the knowledge, information and belief of the Seller, are sufficient to enable such related Underlying Agreement to be enforced against the relevant Obligor and such records are (subject to any sale or trust contemplated by the Transaction Documents) held by or to the order of the Seller;

(g) **Credit and Collection Procedures:** Each related Underlying Agreement was originated and is serviced in accordance with the Credit and Collection Procedures;

(h) **Ownership:** The Seller is the legal and beneficial owner of the Vehicle to which each Receivable relates and no other person has any right or claim thereto (other than each Obligor under the related Underlying Agreement and subject to the Encumbrances arising or permitted to exist under or pursuant to the Deed of Charge);

(i) **Fraud:** So far as the Seller is aware, each related Underlying Agreement under which a Receivable arises has not been entered into fraudulently;

(j) **Obligor obligations:** Each related Underlying Agreement includes obligations on each Obligor to keep the Vehicle in good condition and repair except for fair wear and tear;

(k) **Set-off Receivables:** On each Calculation Date, the Receivable is not a Set-off Receivable;

(l) **Data Protection Laws:** with respect to each Purchased Receivable the Seller has complied with all material laws and regulations under the Data Protection Laws;

(m) **Receivables Listings:** The Receivables Listing correctly specifies the Receivables which are to be transferred to the Issuer on the Closing Date and each Additional Purchase Date;

(n) **No resecuritisation:** the Purchased Receivables comprised in the portfolio will not include: (i) any transferable securities for purposes of Article 20(8) of the UK Securitisation Regulation or EU Securitisation Regulation; (ii) any securitisation positions for purposes of Article 20(9) of the UK Securitisation Regulation or EU Securitisation Regulation; or (iii) any derivatives for purposes of article 21(2) of the UK Securitisation Regulation or EU Securitisation Regulation, in each case on the basis that the Purchased Receivables have been entered into substantially on the terms of similar standard documentation for HP Agreements and PCP Agreements;

(o) **Underwriting standards**: for the purposes of Article 20(10) of the UK Securitisation Regulation, the Purchased Receivables are originated in the ordinary course of the business of TFSUK pursuant to underwriting standards which are no less stringent than those which also apply to Underlying Agreements which will not be securitised. In particular, TFSUK represents and warrants that it has in place (i) effective systems to apply its standard criteria for granting the Purchased Receivables and (ii) processes for approving and, where relevant, amending, renewing and re-financing the Purchased Receivables, in order to ensure that granting of the Purchased Receivables is based on a thorough assessment of each Obligor's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the Obligor meeting its obligations under the relevant agreement. Furthermore, TFSUK represents and warrants that the assessment of each Obligor's creditworthiness shall meet the requirements of Article 8 of Directive 2008/48/EC (as it applies in the UK and EU), in particular, the assessment: (i) will be performed on the basis of sufficient information, where appropriate obtained from the Obligor and, where necessary, on the basis of a consultation of the relevant database, and (ii) will be repeated before any significant increase in the total amount is granted after the conclusion of the financial contract, in combination with an update of the Obligor's financial information;

(p) **Date of origination**: Such Receivable has been originated by the Seller pursuant to an Underlying Agreement entered into on or after 1 February 2021;

(q) **Changes to underwriting standards:** if, during the Revolving Period, the Seller makes any material changes to its underwriting standards it will promptly provide the Issuer, the Rating Agencies and the Security Trustee with details of such changes together with an explanation of the purpose of such changes. The Issuer will notify such changes to investors in accordance with Condition 15 (*Notices*) without undue delay;

(r) **Homogeneity**: for the purposes of Article 20(8) of the UK Securitisation Regulation and Articles 1(a) to (d) of the Commission Delegated Regulation (EU) 2019/1851 ("**HRTS**") as it forms part of domestic law of the United Kingdom by virtue of the EUWA and as amended by the Technical Standards (Securitisation Regulation) (EU Exit) Instrument (No 2) 2020 (FCA 2020/54) (the "**UK HRTS**"), the Purchased Receivables: (i) have been underwritten according to similar underwriting standards, (ii) are serviced according to similar servicing procedures,

(iii) fall within the same category of auto loans and leases and (iv) in accordance with the homogeneity factors set forth in Article 20(8) of the UK Securitisation Regulation and Article 3(5)(b) of the UK HRTS, the Obligors are all resident or incorporated in one jurisdiction, being the United Kingdom;

(s) **Agreed upon procedure**: prior to the Closing Date, a representative sample of the Underlying Agreements has been submitted to the external verification of an appropriate and independent party which (i) had the experience and the capability to carry out the verification and (ii) was not a credit rating agency, a third party verifying compliance with the UK STS Criteria, or an affiliate of the Seller. Such external verification included the verification of the compliance of the Purchased Receivables certain verifiable Eligibility Criteria and the verification, by performing agreed upon procedures, the data disclosed in respect of the Purchased Receivables are accurate;

(t) **Liability Cash Flow Model**: the Seller will make available on an ongoing basis to the Noteholders - via the EuroABS Portal – and, upon request, to potential investors in the Notes, an accurate model representing precisely the contractual relationship between the Purchased Receivables and the payments flowing between the Seller, the Noteholders, the Issuer and any other party to the Transaction Documents which contained an amount of information sufficient to allow such potential investor to price the Notes; and

(u) **Environmental performance**: where available to the Seller, it will include the environmental performance of the Vehicles in the Monthly Report.

If one or more Seller Receivables Warranties proves to have been incorrect on the date on which such Seller Receivables Warranty was made and, if applicable, the relevant breach cannot be remedied, the Seller will be required to repurchase the relevant Purchased Receivable on the next Interest Payment Date as more fully described in the section "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS – Receivables Sale and Purchase Agreement*" above.

5. **CHANGES TO UNDERWRITING STANDARDS**

TFSUK as Seller agrees that if it makes any material changes to its underwriting standards during the Revolving Period it will promptly provide the Issuer, the Rating Agencies and the Security Trustee with details of such changes together with an explanation of the purpose of such changes. The Issuer will notify such changes to investors in accordance with the Conditions without undue delay.

6. **OTHER CHARACTERISTICS OF THE PURCHASED RECEIVABLES**

The Purchased Receivables acquired and transferred by assignment or held in trust under the Receivables Sale and Purchase Agreement have characteristics that demonstrate capacity to produce funds to service payments due and payable on the Notes; however, TFSUK does not warrant the credit standing of the relevant Obligors.

PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA

The statistical and other information contained in this section has been compiled by reference to a portfolio with an aggregated Discounted Receivables Balance of £657,895,227.08 as at the Initial Cut-Off Date (on the basis of information provided by the Seller) (the "**Portfolio**").

The Portfolio has been subject to an agreed upon procedures review on a sample of loans selected from the Portfolio conducted by a third-party on a 95 per cent. confidence level and completed on or about 23 September 2024 with respect to the Portfolio in existence as of the Initial Cut-Off Date and performed agreed upon procedures on certain Eligibility Criteria. This independent third party has also performed agreed upon procedures in order to verify that the stratification tables disclosed in respect of the underlying exposures are accurate. The third party undertaking the review only has obligations to the parties to the engagement letters governing the performance of the agreed upon procedures subject to the limitations and exclusions contained therein.

The Aggregate Discounted Receivables Balance of the Portfolio as at the Initial Cut-Off Date will be equal to the Aggregate Outstanding Note Principal Amount of the Class A Notes and the Class B Notes on the Closing Date.

Except as otherwise indicated, these tables have been prepared using the outstanding current balance as at the Initial Cut-Off Date.

As at the Initial Cut-Off Date, the Portfolio had the following characteristics.

Portfolio Overview

Portfolio Overview	Value
Cut-off date	31/08/2024
Current Aggregate Discounted Balance (GBP)	657,895,227.08
Nominal value of portfolio sold to SPV	682,414,551.67
Aggregate Discounted Residual Value Amount (GBP)	416,382,068.37
Number of Contracts	38,470.00
Average Current Discounted Balance (GBP)	17,101.51
WA Discount Rate in %	7.79%
WA Discounted RV as % of the Current Discounted Balance	63%
WA Loan to Value (%)	80.74%

Distribution by Current Aggregate Discounted Balance

Distribution by Current Aggregate Discounted Balance	Aggregate Discounted Balance	% of Aggregate Discounted Balance	Number of Underlying Agreements	% of Underlying Agreements	Aggregate Discounted Residual Value Amount	% Aggregate Discounted Residual Value Amount
0.00 - 5,000	2,120,765.34	0.32%	567	1.47%	419,195.55	0.10%
5,000 - 10,000	26,989,443.21	4.10%	3,385	8.80%	13,595,806.81	3.27%
10,000 - 15,000	146,198,331.14	22.22%	11,559	30.05%	95,324,258.41	22.89%
15,000 - 20,000	208,246,589.30	31.65%	11,949	31.06%	136,321,505.43	32.74%
20,000 - 25,000	146,572,466.58	22.28%	6,624	17.22%	92,588,611.12	22.24%
25,000 - 30,000	78,972,409.05	12.00%	2,905	7.55%	49,539,254.44	11.90%
30,000 - 35,000	39,752,550.80	6.04%	1,242	3.23%	23,541,915.95	5.65%
35,000 - 40,000	7,628,942.55	1.16%	210	0.55%	4,393,471.83	1.06%
40,000 - 45,000	389,118.00	0.06%	9	0.02%	151,550.73	0.04%
45,000 - 50,000	563,643.75	0.09%	12	0.03%	280,858.43	0.07%
50,000 - 55,000	207,583.11	0.03%	4	0.01%	91,900.43	0.02%
55,000 - 60,000	59,366.88	0.01%	1	0.00%	32,595.09	0.01%
> 60,000	194,017.37	0.03%	3	0.01%	101,144.15	0.02%
Total	**657,895,227.08**	**100.00%**	**38,470**	**100.00%**	**416,382,068.37**	**100.00%**

Min	602.20
Max	67,864.06
Average	17,101.51

Distribution by Original Balance

Distribution by Original Balance	Original Balance	% of Original Balance	Number of Underlying Agreements	% of Underlying Agreements	Aggregate Discounted Residual Value Amount	% Aggregate Discounted Residual Value Amount
0.00 - 5,000	902,285.83	0.12%	228	0.59%	2,290.80	0.00%
5,000 - 10,000	15,525,745.40	2.00%	1,874	4.87%	4,607,929.88	1.11%
10,000 - 15,000	97,100,420.09	12.51%	7,490	19.47%	50,149,839.69	12.04%
15,000 - 20,000	194,852,159.29	25.11%	11,052	28.73%	108,063,853.99	25.95%
20,000 - 25,000	199,934,584.17	25.77%	8,990	23.37%	110,124,717.30	26.45%
25,000 - 30,000	134,572,207.82	17.34%	4,940	12.84%	72,969,090.62	17.52%
30,000 - 35,000	82,569,266.81	10.64%	2,562	6.66%	44,034,175.85	10.58%
35,000 - 40,000	47,470,744.60	6.12%	1,274	3.31%	25,315,434.30	6.08%
40,000 - 45,000	1,010,574.94	0.13%	24	0.06%	305,877.41	0.07%
45,000 - 50,000	623,065.13	0.08%	13	0.03%	232,538.33	0.06%
50,000 - 55,000	314,359.86	0.04%	6	0.02%	149,918.60	0.04%
55,000 - 60,000	514,905.89	0.07%	9	0.02%	203,571.09	0.05%
> 60,000	546,635.83	0.07%	8	0.02%	222,830.51	0.05%
Total	**775,936,955.66**	**100.00%**	**38,470**	**100.00%**	**416,382,068.37**	**100.00%**

Min	1,500.00
Max	83,185.00
Average	20,169.92

Distribution by Product type

Distribution by Product type	Aggregate Discounted Balance	% of Aggregate Discounted Balance	Number of Underlying Agreements	% of Underlying Agreements	Aggregate Discounted Residual Value Amount	% Aggregate Discounted Residual Value Amount
PCP	623,773,770.99	94.81%	35,576	92.48%	416,382,068.37	100.00%
HP	34,121,456.09	5.19%	2,894	7.52%	-	0.00%
Total	**657,895,227.08**	**100.00%**	**38,470**	**100.00%**	**416,382,068.37**	**100.00%**

Distribution by New/Used Vehicle type

Distribution by New/Used Vehicle type	Aggregate Discounted Balance	% of Aggregate Discounted Balance	Number of Underlying Agreements	% of Underlying Agreements	Aggregate Discounted Residual Value Amount	% Aggregate Discounted Residual Value Amount
New Passenger Car	408,774,179.72	62.13%	22,595	58.73%	282,287,895.41	67.80%
New LCV	6,821,897.35	1.04%	293	0.76%	2,653,405.64	0.64%
Used Passenger Car	237,111,611.26	36.04%	15,308	39.79%	130,795,352.35	31.41%
Used LCV	5,187,538.75	0.79%	274	0.71%	645,414.97	0.16%
Total	**657,895,227.08**	**100.00%**	**38,470**	**100.00%**	**416,382,068.37**	**100.00%**

Distribution by Customer Type

Distribution by Customer Type	Aggregate Discounted Balance	% of Aggregate Discounted Balance	Number of Underlying Agreements	% of Underlying Agreements	Aggregate Discounted Residual Value Amount	% Aggregate Discounted Residual Value Amount
Private Individual	648,373,351.96	98.55%	38,070	98.96%	413,201,350.26	99.24%
Commercial	9,521,875.12	1.45%	400	1.04%	3,180,718.11	0.76%
Total	**657,895,227.08**	**100.00%**	**38,470**	**100.00%**	**416,382,068.37**	**100.00%**

Concentration by Top 20 Borrowers

Concentration by Top 20 Borrowers	Aggregate Discounted Balance	% of Aggregate Discounted Balance	Number of Underlying Agreements	% of Underlying Agreements	Aggregate Discounted Residual Value Amount	% Aggregate Discounted Residual Value Amount
1	89,467.31	0.014%	2	0.005%	36,043.00	0.009%
2	67,864.06	0.010%	1	0.003%	52,724.06	0.013%
3	65,829.91	0.010%	2	0.005%	34,276.20	0.008%
4	63,499.11	0.010%	1	0.003%	48,420.09	0.012%
5	62,654.20	0.010%	1	0.003%	-	0.000%
6	59,366.88	0.009%	1	0.003%	32,595.09	0.008%
7	57,518.51	0.009%	2	0.005%	34,446.06	0.008%
8	55,797.88	0.008%	2	0.005%	31,111.86	0.007%
9	54,976.50	0.008%	2	0.005%	41,748.95	0.010%
10	53,510.78	0.008%	1	0.003%	-	0.000%
11	53,233.54	0.008%	2	0.005%	46,850.10	0.011%

12	52,829.14	0.008%	2	0.005%	40,026.19	0.010%
13	52,351.48	0.008%	2	0.005%	34,436.92	0.008%
14	51,696.01	0.008%	1	0.003%	27,285.77	0.007%
15	51,538.84	0.008%	1	0.003%	28,078.74	0.007%
16	51,438.62	0.008%	2	0.005%	34,992.15	0.008%
17	50,837.48	0.008%	1	0.003%	36,535.92	0.009%
18	50,519.63	0.008%	2	0.005%	28,061.57	0.007%
19	50,174.89	0.008%	2	0.005%	28,781.68	0.007%
20	49,303.93	0.007%	2	0.005%	33,962.97	0.008%
Total	**1,144,408.70**	**0.17%**	**32**	**0.08%**	**650,377.32**	**0.16%**

Total Portfolio Balance	657,895,227.08
Total Number of Contracts	38,470.00
Total RV	416,382,068.37

Distribution by Original Term (in months)

Distribution by Original Term (in months)	Aggregate Discounted Balance	% of Aggregate Discounted Balance	Number of Underlying Agreements	% of Underlying Agreements	Aggregate Discounted Residual Value Amount	% Aggregate Discounted Residual Value Amount
0 < X <= 6	-	0.00%	-	0.00%	-	0.00%
6 < X <= 12	43,325.78	0.01%	10	0.03%	-	0.00%
12 < X <= 24	10,544,783.05	1.60%	890	2.31%	6,250,271.07	1.50%
24 < X <= 36	62,991,675.24	9.57%	3,837	9.97%	45,430,804.44	10.91%
36 < X <= 42	332,883,463.02	50.60%	19,046	49.51%	226,957,033.98	54.51%
42 < X <= 48	151,563,624.57	23.04%	8,676	22.55%	89,663,325.14	21.53%
48 < X <= 53	83,148,536.16	12.64%	4,938	12.84%	48,080,633.74	11.55%
>53	16,719,819.26	2.54%	1,073	2.79%	-	0.00%
Total	**657,895,227.08**	**100.00%**	**38,470**	**100.00%**	**416,382,068.37**	**100.00%**

Min	12.00
Max	60.00
WA	43.82

Distribution by Remaining Term (in months)

Distribution by Remaining Term (in months)	Aggregate Discounted Balance	% of Aggregate Discounted Balance	Number of Underlying Agreements	% of Underlying Agreements	Aggregate Discounted Residual Value Amount	% Aggregate Discounted Residual Value Amount
0 < X <= 6	3,337,705.03	0.51%	260	0.68%	3,109,961.60	0.75%
6 < X <= 12	19,003,590.94	2.89%	1,442	3.75%	16,660,164.30	4.00%
12 < X <= 24	103,111,727.92	15.67%	7,284	18.93%	76,529,530.84	18.38%
24 < X <= 36	259,820,517.73	39.49%	14,980	38.94%	171,932,088.13	41.29%
36 < X <= 42	187,709,145.44	28.53%	9,831	25.55%	112,076,862.30	26.92%
42 < X <= 48	69,564,664.01	10.57%	3,709	9.64%	36,073,461.20	8.66%

48 < X <= 53	5,702,377.63	0.87%	384	1.00%	-	0.00%
>53	9,645,498.38	1.47%	580	1.51%	-	0.00%
Total	**657,895,227.08**	**100.00%**	**38,470**	**100.00%**	**416,382,068.37**	**100.00%**

Min	4.00
Max	59.00
WA	32.62

Distribution by Seasoning (in months)

Distribution by Seasoning (in months)	Aggregate Discounted Balance	% of Aggregate Discounted Balance	Number of Underlying Agreements	% of Underlying Agreements	Aggregate Discounted Residual Value Amount	% Aggregate Discounted Residual Value Amount
0 < X <= 6	237,985,609.69	36.17%	12,585	32.71%	134,666,708.78	32.34%
6 < X <= 12	194,378,461.28	29.55%	11,239	29.21%	117,985,723.14	28.34%
12 < X <= 24	169,956,113.32	25.83%	10,441	27.14%	119,090,702.96	28.60%
24 < X <= 36	51,368,744.68	7.81%	3,797	9.87%	40,996,409.86	9.85%
36 < X <= 42	4,206,298.11	0.64%	408	1.06%	3,642,523.63	0.87%
42 < X <= 48	-	0.00%	-	0.00%	-	0.00%
48 < X <= 53	-	0.00%	-	0.00%	-	0.00%
>53	-	0.00%	-	0.00%	-	0.00%
Total	**657,895,227.08**	**100.00%**	**38,470**	**100.00%**	**416,382,068.37**	**100.00%**

Min	1.00
Max	42.00
WA	11.20

Distribution by Down Payments (GBP)

Distribution by Down Payments (GBP)	Aggregate Discounted Balance	% of Aggregate Discounted Balance	Number of Underlying Agreements	% of Underlying Agreements	Aggregate Discounted Residual Value Amount	% Aggregate Discounted Residual Value Amount
No Down Payment	12,443,020.50	1.89%	689	1.79%	6,493,127.62	1.56%
1.01 - 1,000.00	44,383,181.66	6.75%	2,730	7.10%	23,701,893.19	5.69%
1,000.01 - 2,000.00	61,531,976.68	9.35%	3,924	10.20%	34,783,382.49	8.35%
2,000.01 - 3,000.00	75,592,936.93	11.49%	4,758	12.37%	45,323,726.82	10.89%
3,000.01 - 4,000.00	77,280,484.83	11.75%	4,816	12.52%	48,533,990.69	11.66%
4,000.01 - 5,000.00	78,051,227.69	11.86%	4,734	12.31%	50,133,258.92	12.04%
5,000.01 - 6,000.00	62,253,697.39	9.46%	3,753	9.76%	41,518,776.54	9.97%
6,000.01 - 7,000.00	51,785,150.20	7.87%	2,942	7.65%	35,147,967.23	8.44%
7,000.01 - 8,000.00	41,101,855.55	6.25%	2,318	6.03%	28,430,194.41	6.83%
8,000.01 - 9,000.00	33,120,386.48	5.03%	1,815	4.72%	23,421,914.60	5.63%
9,000.01 - 10,000.00	31,295,588.30	4.76%	1,628	4.23%	21,204,462.18	5.09%
10,000.01 - 11,000.00	21,729,195.64	3.30%	1,097	2.85%	15,215,083.72	3.65%
11,000.01 - 12,000.00	17,768,112.12	2.70%	882	2.29%	12,501,052.97	3.00%

12,000.01 - 13,000.00	11,012,546.66	1.67%	537	1.40%	7,563,384.44	1.82%
13,000.01 - 14,000.00	8,974,637.44	1.36%	412	1.07%	6,155,312.52	1.48%
14,000.01 - 15,000.00	7,039,155.37	1.07%	321	0.83%	4,573,644.40	1.10%
>= 15,000.01	22,532,073.64	3.42%	1,114	2.90%	11,680,895.63	2.81%
Total	**657,895,227.08**	**100.00%**	**38,470**	**100.00%**	**416,382,068.37**	**100.00%**

Min	-
Max	62,500.00
Average	5,410.78

Distribution by Vehicle Class

Distribution by Vehicle class	Aggregate Discounted Balance	% of Aggregate Discounted Balance	Number of Underlying Agreements	% of Underlying Agreements	Aggregate Discounted Residual Value Amount	% Aggregate Discounted Residual Value Amount
Toyota - Auris	315,656.25	0.05%	37	0.10%	210,062.21	0.05%
Toyota - Avensis	8,122.70	0.00%	1	0.00%	4,817.76	0.00%
Toyota - Aygo	69,050,124.72	10.50%	6,334	16.46%	43,892,650.36	10.54%
Toyota - Bz4x	5,733,763.34	0.87%	196	0.51%	4,115,424.77	0.99%
Toyota - Camry	251,805.56	0.04%	15	0.04%	120,714.72	0.03%
Toyota - C-HR	108,609,807.02	16.51%	5,485	14.26%	71,109,646.82	17.08%
Toyota - Corolla	48,012,475.83	7.30%	2,736	7.11%	30,843,669.88	7.41%
Toyota - GR	4,773,483.86	0.73%	203	0.53%	3,202,546.36	0.77%
Toyota - Gr86	2,283,890.32	0.35%	100	0.26%	1,538,701.15	0.37%
Toyota - GT86	92,357.72	0.01%	6	0.02%	62,662.42	0.02%
Toyota - Highlander	1,781,616.81	0.27%	62	0.16%	1,065,042.46	0.26%
Toyota - Hilux	8,284,548.15	1.26%	348	0.90%	2,985,282.37	0.72%
Toyota - Land	864,719.25	0.13%	31	0.08%	476,122.56	0.11%
Toyota - Prius	1,237,971.18	0.19%	79	0.21%	719,233.35	0.17%
Toyota - Proace	1,397,592.14	0.21%	84	0.22%	368,101.22	0.09%
Toyota - RAV 4	58,196,194.35	8.85%	2,432	6.32%	38,972,934.97	9.36%
Toyota - Yaris	204,560,255.45	31.09%	12,858	33.42%	133,722,787.76	32.12%
Lexus - CT	987,971.00	0.15%	71	0.18%	683,831.66	0.16%
Lexus - ES	9,029,055.50	1.37%	370	0.96%	5,688,530.04	1.37%
Lexus - IS	459,257.44	0.07%	30	0.08%	299,423.81	0.07%
Lexus - LBX	7,129,177.21	1.08%	263	0.68%	4,239,614.57	1.02%
Lexus - LC	88,006.17	0.01%	3	0.01%	59,038.24	0.01%
Lexus - NX	26,585,030.74	4.04%	1,013	2.63%	17,558,953.31	4.22%
Lexus - RC	473,101.34	0.07%	21	0.05%	268,393.70	0.06%
Lexus - RX	6,962,689.63	1.06%	260	0.68%	4,131,171.05	0.99%
Lexus - RZ	585,260.03	0.09%	15	0.04%	309,344.86	0.07%
Lexus - UX	25,088,739.40	3.81%	1,153	3.00%	16,136,882.35	3.88%
Other - Other	65,052,553.97	9.89%	4,264	11.08%	33,596,483.64	8.07%
Total	**657,895,227.08**	**100.00%**	**38,470**	**100.00%**	**416,382,068.37**	**100.00%**

Distribution by payment type

Distribution by payment type	Aggregate Discounted Balance	% of Aggregate Discounted Balance	Number of Underlying Agreements	% of Underlying Agreements	Aggregate Discounted Residual Value Amount	% Aggregate Discounted Residual Value Amount
Direct Debit	657,895,227.08	100.00%	38,470	100.00%	416,382,068.37	100.00%
Total	**657,895,227.08**	**100.00%**	**38,470**	**100.00%**	**416,382,068.37**	**100.00%**

Distribution by Interest Rate (APR)

Distribution by Interest Rate (APR)	Aggregate Discounted Balance	% of Aggregate Discounted Balance	Number of Underlying Agreements	% of Underlying Agreements	Aggregate Discounted Residual Value Amount	% Aggregate Discounted Residual Value Amount
0 - <1%	35,019,278.31	5.32%	2,628	6.83%	26,608,097.12	6.39%
1 - <2%	70,235,466.74	10.68%	3,569	9.28%	50,587,138.12	12.15%
2 - <3%	46,949,991.11	7.14%	2,499	6.50%	31,765,274.60	7.63%
3 - <4%	31,281,979.72	4.75%	1,900	4.94%	22,230,275.69	5.34%
4 - <5%	114,209,834.43	17.36%	7,004	18.21%	76,876,685.33	18.46%
5 - <6%	84,490,832.91	12.84%	4,339	11.28%	53,654,867.64	12.89%
6 - <7%	34,770,702.02	5.29%	2,022	5.26%	22,516,182.35	5.41%
7 - <8%	9,798,136.19	1.49%	537	1.40%	6,244,731.33	1.50%
8 - <9%	154,070,397.04	23.42%	8,940	23.24%	85,073,658.16	20.43%
≥ 9%	77,068,608.61	11.71%	5,032	13.08%	40,825,158.03	9.80%
Total	**657,895,227.08**	**100.00%**	**38,470**	**100.00%**	**416,382,068.37**	**100.00%**

Min	0
Max	14.18%
Weighted Average	5.92%

Distribution by Discounted Contractual Residual Value as Percentage of Aggregate Discounted Balance (PCP Contracts only)

Distribution by Discounted Contractual Residual Value as Percentage of Aggregate Discounted Balance (PCP Contracts only)	Aggregate Discounted Balance	% of Aggregate Discounted Balance	Number of Underlying Agreements	% of Underlying Agreements	Aggregate Discounted Residual Value Amount	% Aggregate Discounted Residual Value Amount
0 -<10%	17,241.97	0.00%	2	0.01%	-	0.00%
10-<20%	-	0.00%	-	0.00%	-	0.00%
20-<30%	84,830.21	0.01%	4	0.01%	24,038.70	0.01%
30-<40%	2,240,118.22	0.36%	125	0.35%	831,229.14	0.20%
40-<50%	30,592,221.66	4.90%	1,705	4.79%	14,317,505.57	3.44%
50-<60%	147,345,408.78	23.62%	7,800	21.92%	82,207,548.06	19.74%
60-<70%	215,965,990.34	34.62%	11,797	33.16%	140,177,832.33	33.67%
70-<80%	148,309,514.66	23.78%	9,036	25.40%	110,497,092.96	26.54%

80-<90%	61,050,516.47	9.79%	3,945	11.09%	51,370,935.32	12.34%
>=90%	18,167,928.68	2.91%	1,162	3.27%	16,955,886.29	4.07%
Total	**623,773,770.99**	**100.00%**	**35,576**	**100.00%**	**416,382,068.37**	**100.00%**

Min	0
Max	106.22%
Weighted Average	66.75%

Distribution by Original Loan to Value

Distribution by Original Loan to Value	Aggregate Discounted Balance	% of Aggregate Discounted Balance	Number of Underlying Agreements	% of Underlying Agreements	Aggregate Discounted Residual Value Amount	% Aggregate Discounted Residual Value Amount
<= 55	10,397,915.86	1.58%	1,336	3.47%	-	0.00%
> 55.01 - 65	12,806,695.77	1.95%	837	2.18%	6,361,560.92	1.53%
> 65.01 - 75	170,722,565.67	25.95%	10,196	26.50%	124,729,969.64	29.96%
> 75.01 - 85	216,362,734.97	32.89%	12,528	32.57%	141,455,187.19	33.97%
> 85.01- 95	189,177,162.61	28.75%	10,441	27.14%	112,582,805.35	27.04%
> 95.01 - 100	58,428,152.20	8.88%	3,132	8.14%	31,252,545.27	7.51%
Total	**657,895,227.08**	**100.00%**	**38,470**	**100.00%**	**416,382,068.37**	**100.00%**

Min	6.09%
Max	100%
Weighted Average	80.74%

Distribution by Engine Type

Distribution by Engine Type	Aggregate Discounted Balance	% of Aggregate Discounted Balance	Number of Underlying Agreements	% of Underlying Agreements	Aggregate Discounted Residual Value Amount	% Aggregate Discounted Residual Value Amount
Petrol	120,267,688.17	18.28%	10,003	26.00%	72,238,822.26	17.35%
Diesel	25,845,499.66	3.93%	1,304	3.39%	11,100,023.20	2.67%
Hybrid	499,777,052.98	75.97%	26,665	69.31%	325,600,223.97	78.20%
Electric	11,958,289.96	1.82%	493	1.28%	7,430,872.87	1.78%
Bi Fuel	46,696.31	0.01%	5	0.01%	12,126.07	0.00%
Total	**657,895,227.08**	**100.00%**	**38,470**	**100.00%**	**416,382,068.37**	**100.00%**

Year of Origination

Year of Origination	Aggregate Discounted Balance	% of Aggregate Discounted Balance	Number of Underlying Agreements	% of Underlying Agreements	Aggregate Discounted Residual Value Amount	% Aggregate Discounted Residual Value Amount
2021	14,912,902.50	2.27%	1,308	3.40%	12,541,332.67	3.01%
2022	91,376,553.16	13.89%	6,251	16.25%	69,256,107.55	16.63%

2023	291,800,835.71	44.35%	17,035	44.28%	187,814,834.65	45.11%
2024	259,804,935.71	39.49%	13,876	36.07%	146,769,793.50	35.25%
Total	**657,895,227.08**	**100.00%**	**38,470**	**100.00%**	**416,382,068.37**	**100.00%**

Quarter of Contract Maturity

Quarter of Contract Maturity	Aggregate Discounted Balance	% of Aggregate Discounted Balance	Number of Underlying Agreements	% of Underlying Agreements	Aggregate Discounted Residual Value Amount	% Aggregate Discounted Residual Value Amount
Q4-24	148,818.27	0.02%	17	0.04%	136,091.27	0.03%
Q1-25	6,841,571.30	1.04%	517	1.34%	6,296,926.22	1.51%
Q2-25	8,490,635.60	1.29%	643	1.67%	7,503,897.16	1.80%
Q3-25	13,793,168.27	2.10%	1,020	2.65%	11,652,263.02	2.80%
Q4-25	17,190,798.39	2.61%	1,374	3.57%	12,986,164.60	3.12%
Q1-26	24,646,513.36	3.75%	1,822	4.74%	18,093,958.73	4.35%
Q2-26	30,946,575.56	4.70%	2,097	5.45%	22,869,688.49	5.49%
Q3-26	43,342,851.19	6.59%	2,723	7.08%	31,018,970.64	7.45%
Q4-26	50,333,017.92	7.65%	3,073	7.99%	34,748,120.50	8.35%
Q1-27	68,347,106.41	10.39%	4,021	10.45%	45,421,024.20	10.91%
Q2-27	82,167,519.30	12.49%	4,543	11.81%	53,216,052.44	12.78%
Q3-27	85,093,949.38	12.93%	4,472	11.62%	52,937,648.06	12.71%
Q4-27	98,874,540.69	15.03%	5,132	13.34%	59,370,610.16	14.26%
Q1-28	59,278,291.43	9.01%	3,245	8.44%	32,787,276.31	7.87%
Q2-28	40,534,124.20	6.16%	2,147	5.58%	21,166,842.14	5.08%
Q3-28	13,596,355.95	2.07%	737	1.92%	6,176,534.43	1.48%
Q4-28	3,494,621.82	0.53%	227	0.59%	-	0.00%
Q1-29	5,466,328.68	0.83%	346	0.90%	-	0.00%
Q2-29	4,384,427.07	0.67%	260	0.68%	-	0.00%
Q3-29	924,012.29	0.14%	54	0.14%	-	0.00%
Total	**657,895,227.08**	**100.00%**	**38,470**	**100.00%**	**416,382,068.37**	**100.00%**

Quarter of Contract Maturity (PCP Contracts Only)

Quarter of Contract Maturity (PCP Contracts Only)	Aggregate Discounted Balance	% of Aggregate Discounted Balance	Number of Underlying Agreements	% of Underlying Agreements	Aggregate Discounted Residual Value Amount	% Aggregate Discounted Residual Value Amount
Q4-24	142,668.43	0.02%	12	0.03%	136,091.27	0.03%
Q1-25	6,808,251.12	1.09%	506	1.42%	6,296,926.22	1.51%
Q2-25	8,422,813.31	1.35%	628	1.77%	7,503,897.16	1.80%
Q3-25	13,708,238.27	2.20%	996	2.80%	11,652,263.02	2.80%
Q4-25	15,877,609.09	2.55%	1,137	3.20%	12,986,164.60	3.12%
Q1-26	22,990,932.13	3.69%	1,638	4.60%	18,093,958.73	4.35%
Q2-26	30,219,137.29	4.84%	2,004	5.63%	22,869,688.49	5.49%
Q3-26	42,621,648.89	6.83%	2,629	7.39%	31,018,970.64	7.45%

Q4-26	49,023,896.19	7.86%	2,926	8.22%	34,748,120.50	8.35%
Q1-27	66,489,099.38	10.66%	3,806	10.70%	45,421,024.20	10.91%
Q2-27	80,665,612.45	12.93%	4,398	12.36%	53,216,052.44	12.78%
Q3-27	83,708,545.65	13.42%	4,345	12.21%	52,937,648.06	12.71%
Q4-27	96,768,189.64	15.51%	4,958	13.94%	59,370,610.16	14.26%
Q1-28	56,466,031.18	9.05%	3,020	8.49%	32,787,276.31	7.87%
Q2-28	38,458,872.97	6.17%	1,991	5.60%	21,166,842.14	5.08%
Q3-28	11,402,225.00	1.83%	582	1.64%	6,176,534.43	1.48%
Total	**623,773,770.99**	**100.00%**	**35,576**	**100.00%**	**416,382,068.37**	**100.00%**

Geographic Distribution

Geographic distribution	Aggregate Discounted Balance	% of Aggregate Discounted Balance	Number of Underlying Agreements	% of Underlying Agreements	Aggregate Discounted Residual Value Amount	% Aggregate Discounted Residual Value Amount
UKC - North East, England	30,380,250.96	4.62%	1,903	4.95%	17,717,979.08	4.26%
UKD - North West, England	80,813,781.61	12.28%	4,986	12.96%	50,401,038.18	12.10%
UKE - Yorkshire and the Humber, England	56,411,179.88	8.57%	3,359	8.73%	35,151,951.66	8.44%
UKF - East Midlands, England	51,383,781.93	7.81%	2,915	7.58%	32,480,802.59	7.80%
UKG - West Midlands, England	63,148,897.85	9.60%	3,650	9.49%	40,283,309.31	9.67%
UKH - East of England	82,900,038.29	12.60%	4,752	12.35%	53,147,079.90	12.76%
UKI - London, England	56,173,806.86	8.54%	3,117	8.10%	36,313,749.23	8.72%
UKJ - South East, England	109,461,830.07	16.64%	6,298	16.37%	71,056,899.86	17.07%
UKK - South West, England	49,223,624.34	7.48%	2,900	7.54%	32,265,606.93	7.75%
UKL - Wales	28,691,631.35	4.36%	1,773	4.61%	17,856,598.31	4.29%
UKM - Scotland	49,306,403.94	7.49%	2,817	7.32%	29,707,053.32	7.13%
Total	**657,895,227.08**	**100.00%**	**38,470**	**100.00%**	**416,382,068.37**	**100.00%**

Run Out Schedule

The amortisation scenario below is based on the following assumptions:

(a) that no losses, prepayments or delinquencies occur; and

(b) in respect of each Underlying Agreement that has a payment date falling prior to or on the Initial Cut-Off Date, "Month 0" of the schedule reflects cash receipts received by TFSUK up to and on the Initial Cut-Off Date. For all other receivables, one Regular Payment will be made by the relevant Obligor.

It should be noted that the actual amortisation of the Purchased Receivables may differ substantially from the amortisation scenario indicated below.

Total Portfolio

Date	Trust ID	Determination Date	Month Number	Current Aggregate Principal Balance	Scheduled Instalment	Scheduled Principal	Scheduled Interest	Contract Count	Balloon Aggregate Principal Balance
31/08/2024	KOROMO1	31/08/2024	0	657,895,227.08	0.00	0.00	0.00	38,470.00	416,382,068.37
31/08/2024	KOROMO1	30/09/2024	1	650,832,913.91	11,173,065.71	8,048,944.18	3,124,121.53	38,470.00	416,382,068.37
31/08/2024	KOROMO1	31/10/2024	2	643,739,312.31	11,173,065.71	7,982,924.45	3,190,141.26	38,470.00	416,382,068.37
31/08/2024	KOROMO1	30/11/2024	3	636,601,091.58	11,173,065.71	8,119,413.57	3,053,652.14	38,470.00	416,382,068.37
31/08/2024	KOROMO1	31/12/2024	4	629,273,413.33	11,317,616.63	8,200,659.66	3,116,956.97	38,470.00	416,235,055.10
31/08/2024	KOROMO1	31/01/2025	5	620,616,310.85	12,601,029.72	9,521,589.93	3,079,439.79	38,452.00	414,779,895.99
31/08/2024	KOROMO1	28/02/2025	6	611,886,169.31	12,620,371.11	9,871,159.95	2,749,211.16	38,338.00	413,272,106.77
31/08/2024	KOROMO1	31/03/2025	7	601,333,786.90	14,388,469.12	11,390,771.74	2,997,697.38	38,210.00	409,934,731.84
31/08/2024	KOROMO1	30/04/2025	8	591,323,357.96	13,782,390.03	10,920,044.39	2,862,345.64	37,935.00	407,150,079.88
31/08/2024	KOROMO1	31/05/2025	9	581,732,960.39	13,300,489.24	10,387,873.46	2,912,615.78	37,710.00	404,779,636.84
31/08/2024	KOROMO1	30/06/2025	10	572,149,308.57	13,234,627.65	10,454,895.07	2,779,732.58	37,507.00	402,422,556.49
31/08/2024	KOROMO1	31/07/2025	11	561,922,933.49	13,818,230.93	10,991,317.99	2,826,912.94	37,292.00	399,415,529.55
31/08/2024	KOROMO1	31/08/2025	12	551,896,398.62	13,555,333.77	10,772,177.23	2,783,156.54	37,025.00	396,603,111.23
31/08/2024	KOROMO1	30/09/2025	13	538,918,456.00	16,445,025.95	13,796,973.81	2,648,052.14	36,767.00	390,792,890.70
31/08/2024	KOROMO1	31/10/2025	14	527,262,023.84	15,044,638.94	12,360,093.51	2,684,545.43	36,273.00	386,272,759.20
31/08/2024	KOROMO1	30/11/2025	15	516,165,808.82	14,426,144.48	11,873,874.73	2,552,269.75	35,843.00	382,270,471.61
31/08/2024	KOROMO1	31/12/2025	16	504,640,205.15	14,774,184.41	12,188,212.14	2,585,972.27	35,401.00	377,780,951.83
31/08/2024	KOROMO1	31/01/2026	17	491,982,906.08	15,835,095.57	13,299,599.67	2,535,495.90	34,898.00	372,064,471.94
31/08/2024	KOROMO1	28/02/2026	18	479,790,180.83	15,293,165.71	13,047,874.43	2,245,291.28	34,286.00	366,728,809.67
31/08/2024	KOROMO1	31/03/2026	19	466,005,092.15	16,810,697.88	14,385,102.68	2,425,595.20	33,753.00	359,698,267.36
31/08/2024	KOROMO1	30/04/2026	20	451,891,014.70	17,055,603.98	14,765,316.54	2,290,287.44	33,076.00	352,223,567.80
31/08/2024	KOROMO1	31/05/2026	21	438,046,880.66	16,699,598.90	14,396,599.61	2,302,999.29	32,356.00	344,917,320.87
31/08/2024	KOROMO1	30/06/2026	22	423,540,653.56	17,276,712.18	15,110,304.74	2,166,407.44	31,694.00	336,843,078.88
31/08/2024	KOROMO1	31/07/2026	23	409,043,284.68	17,179,140.27	15,007,105.94	2,172,034.33	30,980.00	328,671,751.22
31/08/2024	KOROMO1	31/08/2026	24	394,250,346.83	17,386,091.63	15,279,877.25	2,106,214.38	30,264.00	320,082,411.63
31/08/2024	KOROMO1	30/09/2026	25	373,985,343.69	22,767,481.88	20,814,382.03	1,953,099.85	29,484.00	305,808,446.79
31/08/2024	KOROMO1	31/10/2026	26	357,642,214.54	18,721,434.17	16,794,092.35	1,927,341.82	28,256.00	295,298,282.07
31/08/2024	KOROMO1	30/11/2026	27	340,354,233.37	19,563,836.32	17,777,807.15	1,786,029.17	27,318.00	283,665,679.25
31/08/2024	KOROMO1	31/12/2026	28	322,283,120.21	20,239,664.53	18,483,887.19	1,755,777.34	26,298.00	271,056,142.45
31/08/2024	KOROMO1	31/01/2027	29	305,776,412.27	18,562,910.90	16,897,571.21	1,665,339.69	25,182.00	259,828,651.11
31/08/2024	KOROMO1	28/02/2027	30	288,890,417.13	18,836,941.47	17,415,312.21	1,421,629.26	24,133.00	248,026,679.85
31/08/2024	KOROMO1	31/03/2027	31	261,779,893.92	28,951,992.66	27,512,359.62	1,439,633.04	23,052.00	225,626,053.56

31/08/2024	KOROMO1	30/04/2027	32	235,884,696.41	27,566,900.59	26,301,612.10	1,265,288.49	21,160.00	204,066,319.06
31/08/2024	KOROMO1	31/05/2027	33	214,241,043.89	23,154,775.98	21,966,220.54	1,188,555.44	19,404.00	186,451,574.71
31/08/2024	KOROMO1	30/06/2027	34	196,440,951.08	19,177,665.16	18,122,027.76	1,055,637.40	17,877.00	172,430,342.05
31/08/2024	KOROMO1	31/07/2027	35	180,940,799.23	16,766,848.41	15,763,854.03	1,002,994.38	16,619.00	160,504,948.08
31/08/2024	KOROMO1	31/08/2027	36	165,234,930.15	16,874,419.90	15,953,681.94	920,737.96	15,548.00	148,150,323.50
31/08/2024	KOROMO1	30/09/2027	37	133,721,574.32	32,581,945.42	31,817,943.04	764,002.38	14,504.00	119,475,721.10
31/08/2024	KOROMO1	31/10/2027	38	102,601,010.92	31,996,440.47	31,360,281.15	636,159.32	12,145.00	90,660,871.56
31/08/2024	KOROMO1	30/11/2027	39	84,820,888.77	18,464,215.53	17,946,099.27	518,116.26	9,702.00	74,879,144.79
31/08/2024	KOROMO1	31/12/2027	40	68,336,786.08	17,054,242.96	16,602,019.26	452,223.70	8,290.00	60,107,472.33
31/08/2024	KOROMO1	31/01/2028	41	50,013,415.09	18,788,751.92	18,419,036.68	369,715.24	7,014.00	43,160,059.43
31/08/2024	KOROMO1	29/02/2028	42	41,709,468.47	8,654,541.27	8,365,111.57	289,429.70	5,466.00	36,073,461.20
31/08/2024	KOROMO1	31/03/2028	43	31,959,866.40	10,041,851.88	9,800,037.75	241,814.13	4,673.00	27,332,338.06
31/08/2024	KOROMO1	30/04/2028	44	22,015,968.59	10,168,459.63	9,999,730.18	168,729.45	3,770.00	18,175,400.35
31/08/2024	KOROMO1	31/05/2028	45	14,105,696.51	8,066,123.37	7,950,685.55	115,437.82	2,828.00	10,875,158.52
31/08/2024	KOROMO1	30/06/2028	46	8,893,559.68	5,312,178.59	5,238,820.48	73,358.11	2,102.00	6,156,066.02
31/08/2024	KOROMO1	31/07/2028	47	4,078,212.59	4,878,983.61	4,839,066.90	39,916.71	1,622.00	1,732,939.60
31/08/2024	KOROMO1	31/08/2028	48	2,001,487.51	2,106,395.81	2,087,112.87	19,282.94	1,171.00	0.00
31/08/2024	KOROMO1	30/09/2028	49	1,670,505.32	345,620.24	332,970.25	12,649.99	964.00	0.00
31/08/2024	KOROMO1	31/10/2028	50	1,363,492.80	319,211.22	308,513.35	10,697.87	887.00	0.00
31/08/2024	KOROMO1	30/11/2028	51	1,084,251.16	289,182.22	280,849.53	8,332.69	811.00	0.00
31/08/2024	KOROMO1	31/12/2028	52	831,071.11	261,074.82	254,405.57	6,669.25	730.00	0.00
31/08/2024	KOROMO1	31/01/2029	53	600,696.95	236,423.61	231,485.08	4,938.53	660.00	0.00
31/08/2024	KOROMO1	28/02/2029	54	394,469.48	210,594.93	207,504.44	3,090.49	580.00	0.00
31/08/2024	KOROMO1	31/03/2029	55	230,192.85	167,141.08	165,096.21	2,044.87	458.00	0.00
31/08/2024	KOROMO1	30/04/2029	56	117,759.45	114,106.11	113,042.02	1,064.09	314.00	0.00
31/08/2024	KOROMO1	31/05/2029	57	54,845.24	63,764.01	63,223.33	540.68	178.00	0.00
31/08/2024	KOROMO1	30/06/2029	58	19,116.07	36,125.64	35,908.64	217.00	104.00	0.00
31/08/2024	KOROMO1	31/07/2029	59	0.00	19,253.10	19,214.52	38.58	54.00	0.00

Historical performance data

The historical performance data set out hereafter relate to the portfolio of auto Receivables originated by the Seller.

Barring in respect of the "Prepayment Rate (Monthly)" data, in respect of which the data relates to the period commencing from April 2019 to the period ending in June 2024, each of the graphs below relate to the period commencing from Q1 2014 to the period ending in Q1 2024.

Reference to "Gross Loss" below relates to TFSUK's exposure as at the point the contract is terminated in TFSUK systems ("**Gross Loss**"). The calculation for Gross Loss is the capital outstanding plus any rentals in arrears at the point of termination. For the purposes of the Gross Loss curves, for a cohort of origination (all receivables originated in the same quarter), the cumulative rate of Gross Losses is calculated as a ratio of (i) the cumulative Gross Losses on such loans between the quarter when such loans were originated and the relevant quarter to the (ii) initial principal amount of such contracts.

Reference to "Recoveries" below relates to cash amounts received after the contract has been terminated in the system, but before the contracts have been written off ("**Recoveries**"). Recoveries are presented against the point of contractual termination (not against the point of origination). Recoveries are typically sales proceeds from recovery of the asset, but they can also include cash receipts from the customer and/or other cash receipts from a third party, for example insurance proceeds. For the purposes of the Recoveries curves, for a cohort of receivables which were terminated in the same quarter, the cumulative rate of Recoveries is calculated as a ratio of (i) the cumulative Recoveries on such loans between the quarter when such loans were terminated to the relevant quarter to the (ii) Gross Loss amount related to such loans.

Performance Data is also shown by Voluntary Terminations ("**VT**") and Hostile Terminations ("**HT**"), with:

(a) VT information encompassing any customer who has exercised their voluntary termination right and returned the vehicle to TFSUK. The data also includes amicable closures of agreements (e.g. if TFSUK has worked with a customer in financial difficulty and the resolution was to collect the vehicle and sell the asset); and

(b) HT information reflecting any agreement which was ended under this classification in the TFSUK system, typically these are receivables who fell into arrears throughout the contractual term.

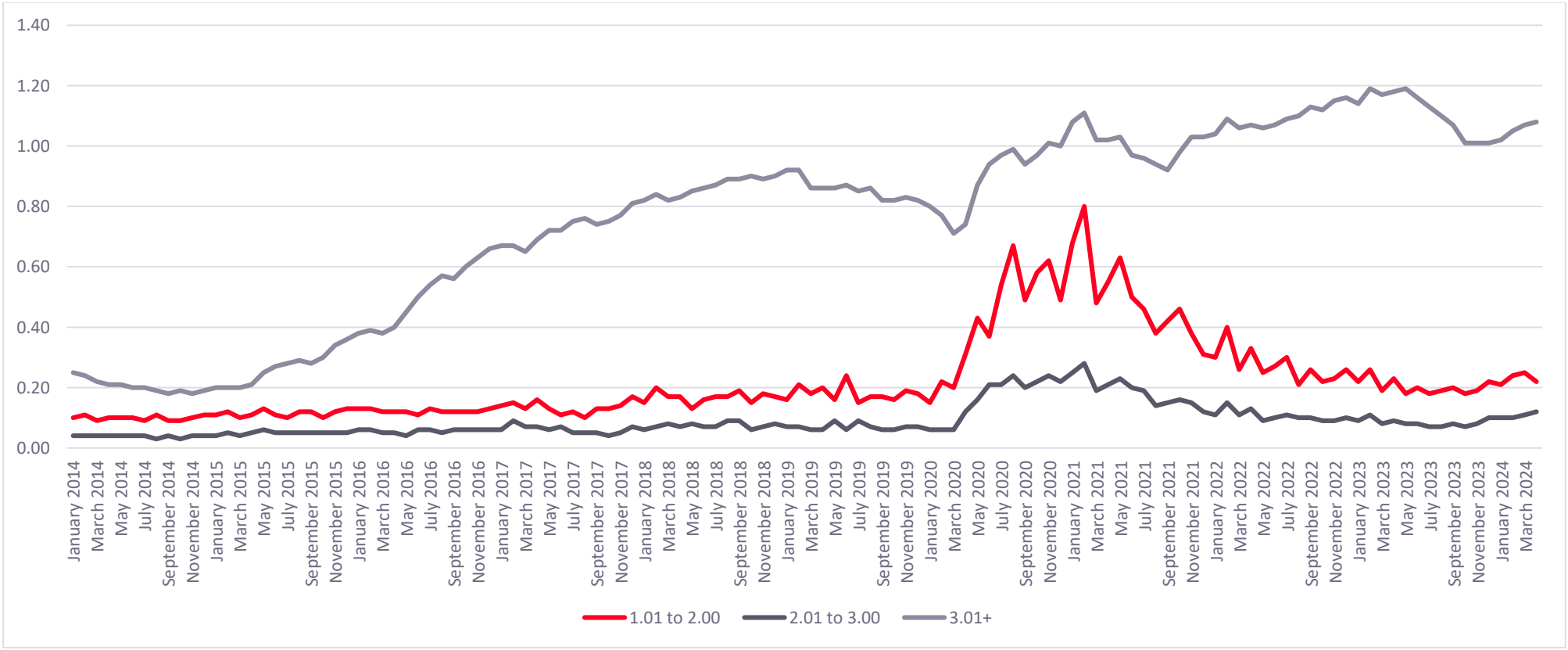
The "Prepayment Rate (Monthly)" curve depicts data in respect of the TFSUK private warehouse facility, not the entire TFSUK portfolio.

In each of the tables below, "Q1" refers to the period from 1 January to 31 March, "Q2" refers to the period from 1 April to 30 June, "Q3" refers to the period from 1 July to 30 September and "Q4" refers to the period from 1 October to 31 December.

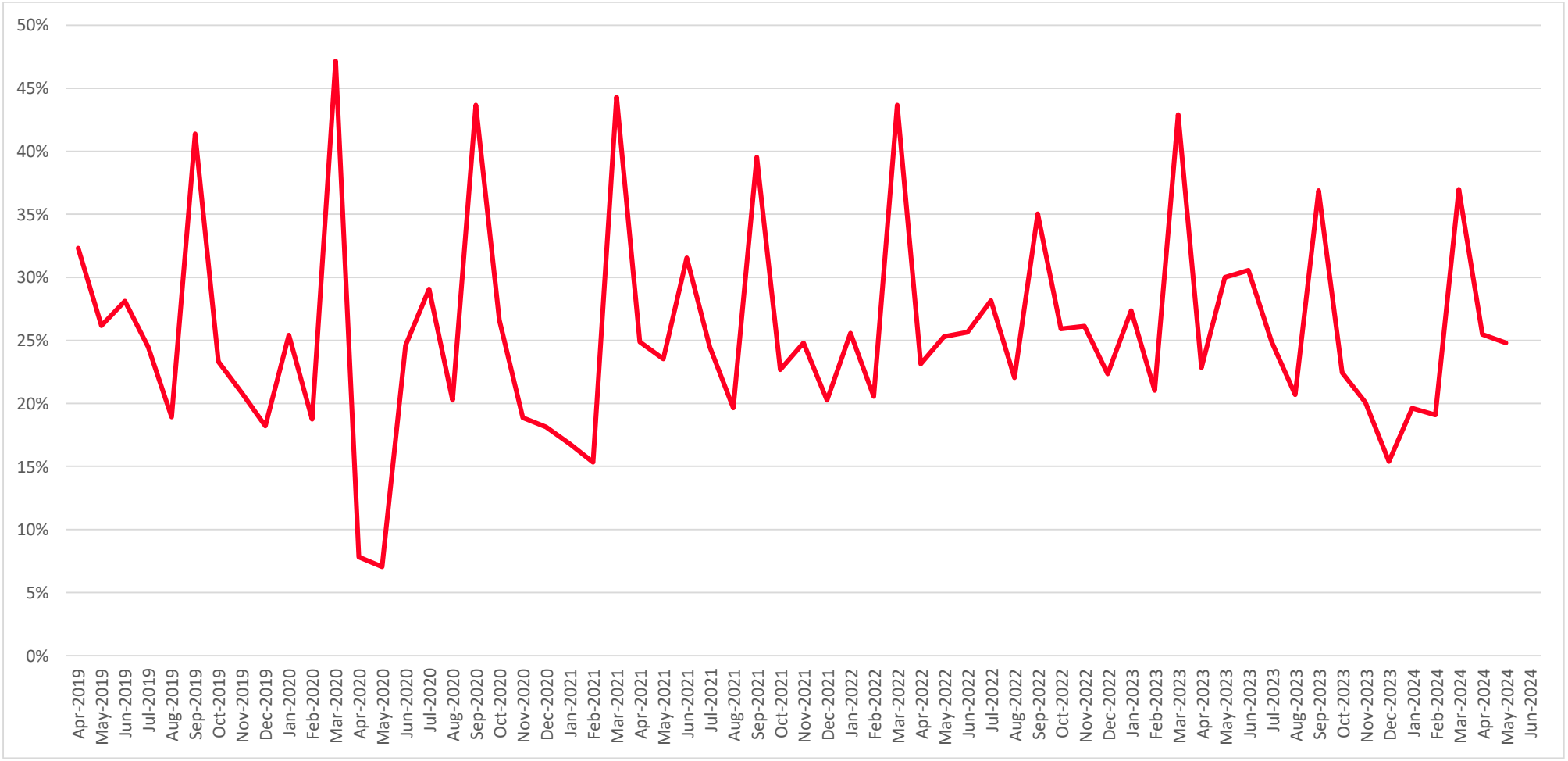
The tables below were prepared on the basis of the internal records of the Seller.

There can be no assurance that the future experience and performance of the Purchased Receivables will be similar to the historical performance set out in the tables below.

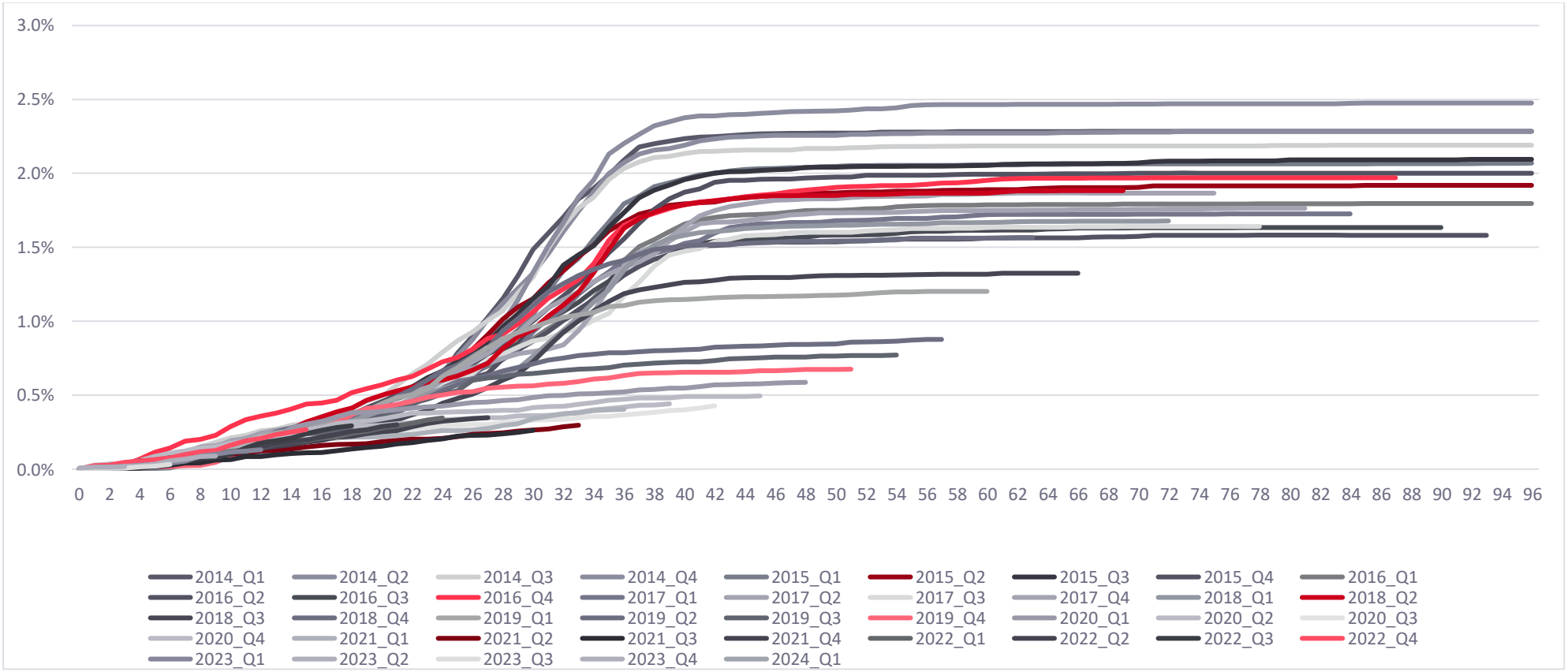
Delinquencies



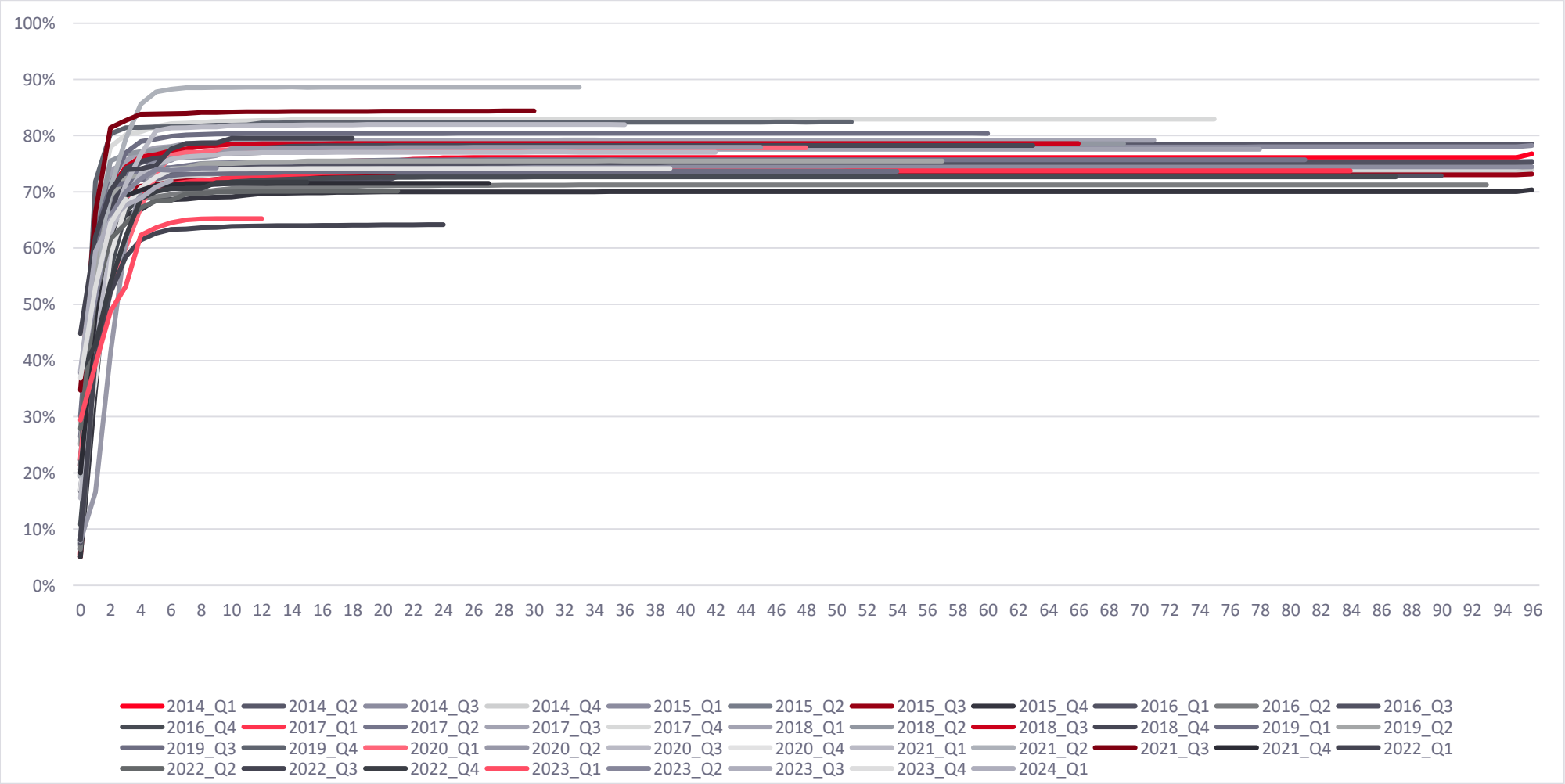
Prepayment Rate (Monthly)



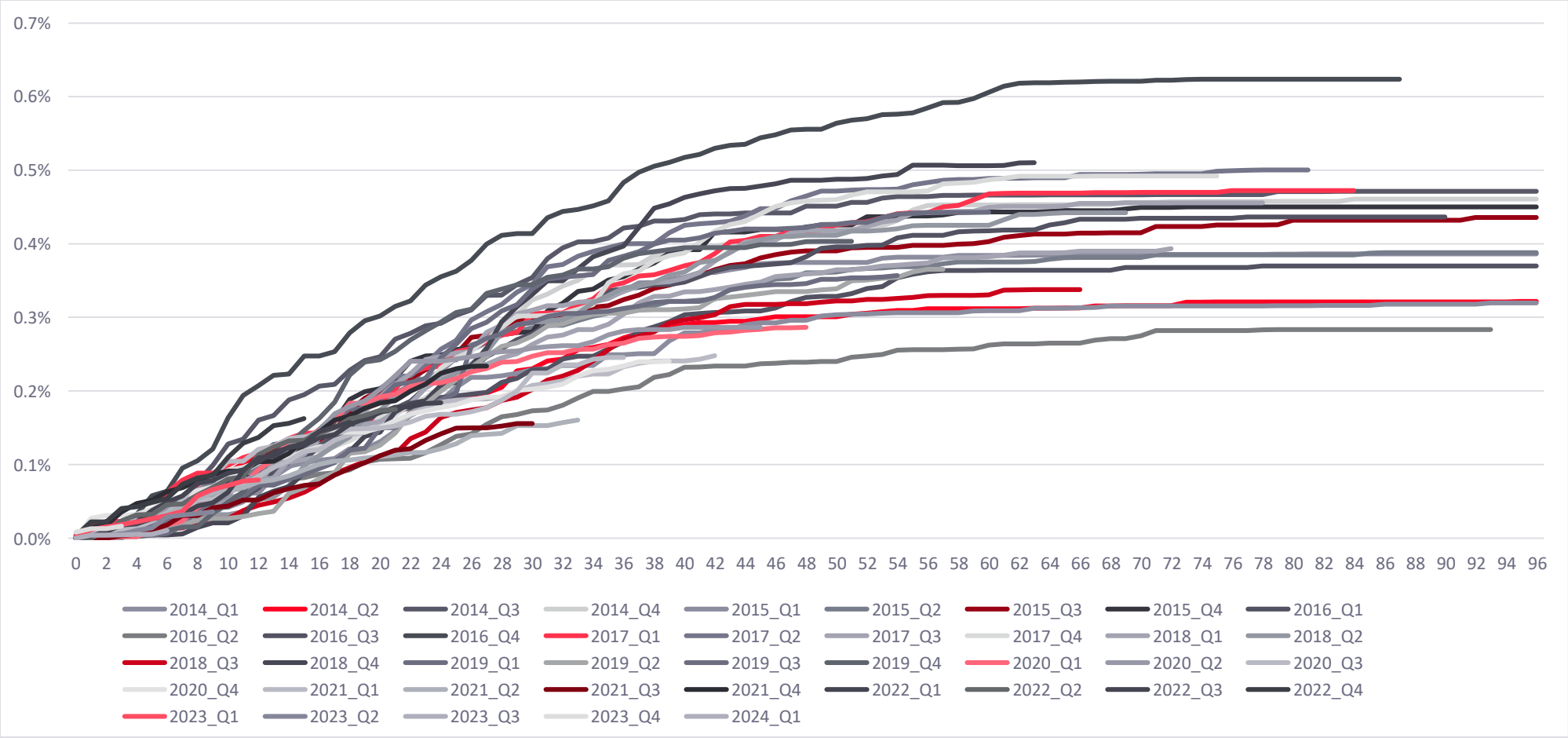
Cumulative Defaults



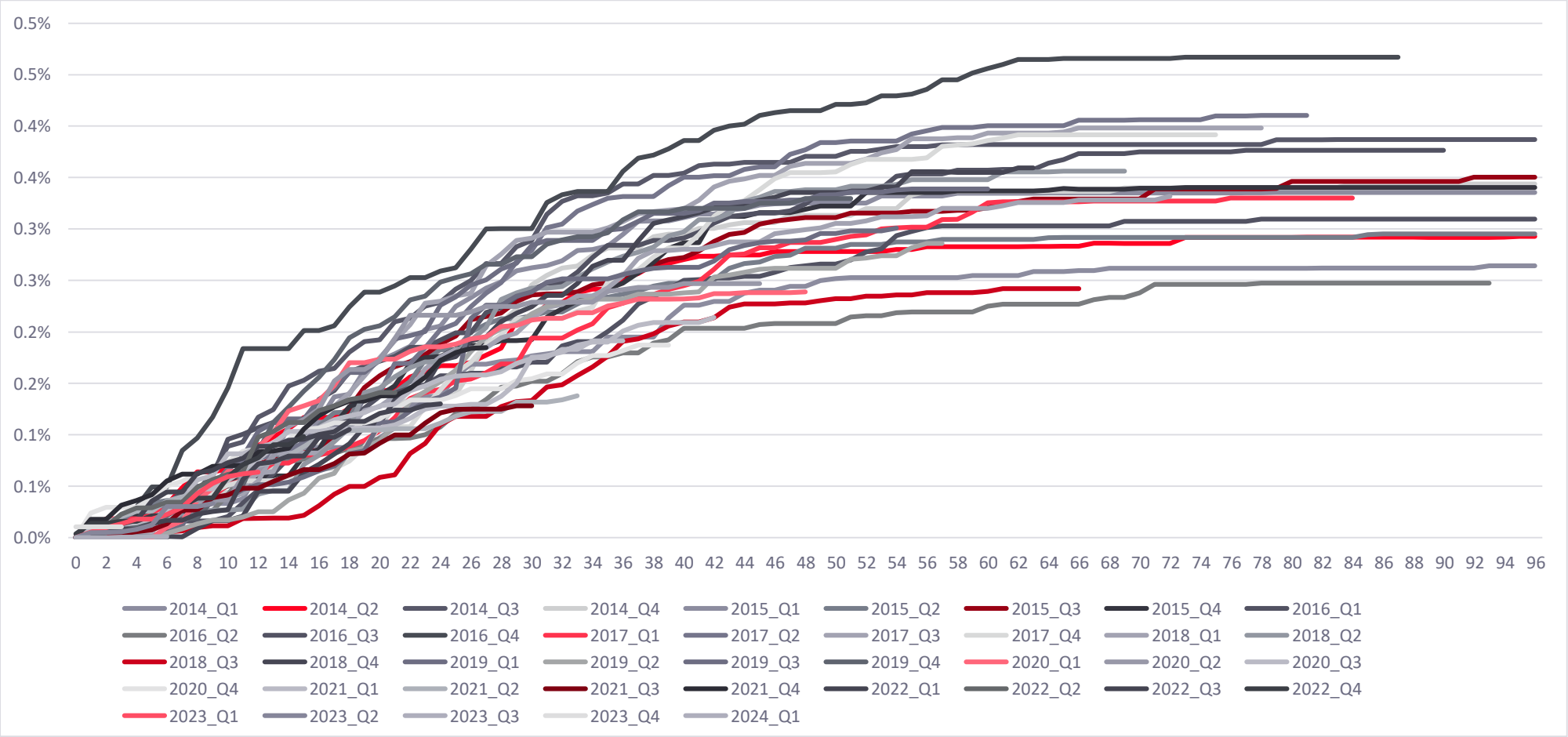
Cumulative Recoveries



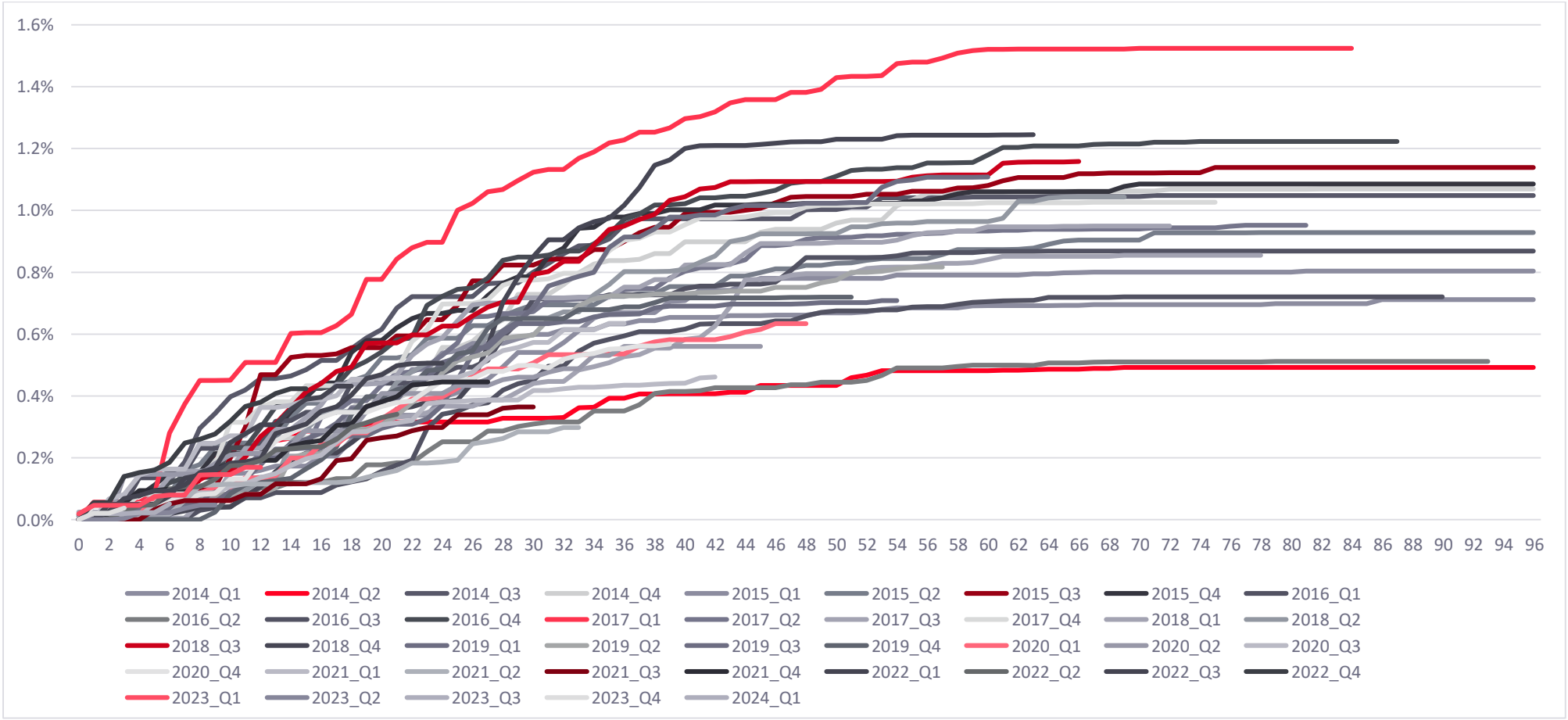
Cumulative HT Gross Loss – Total



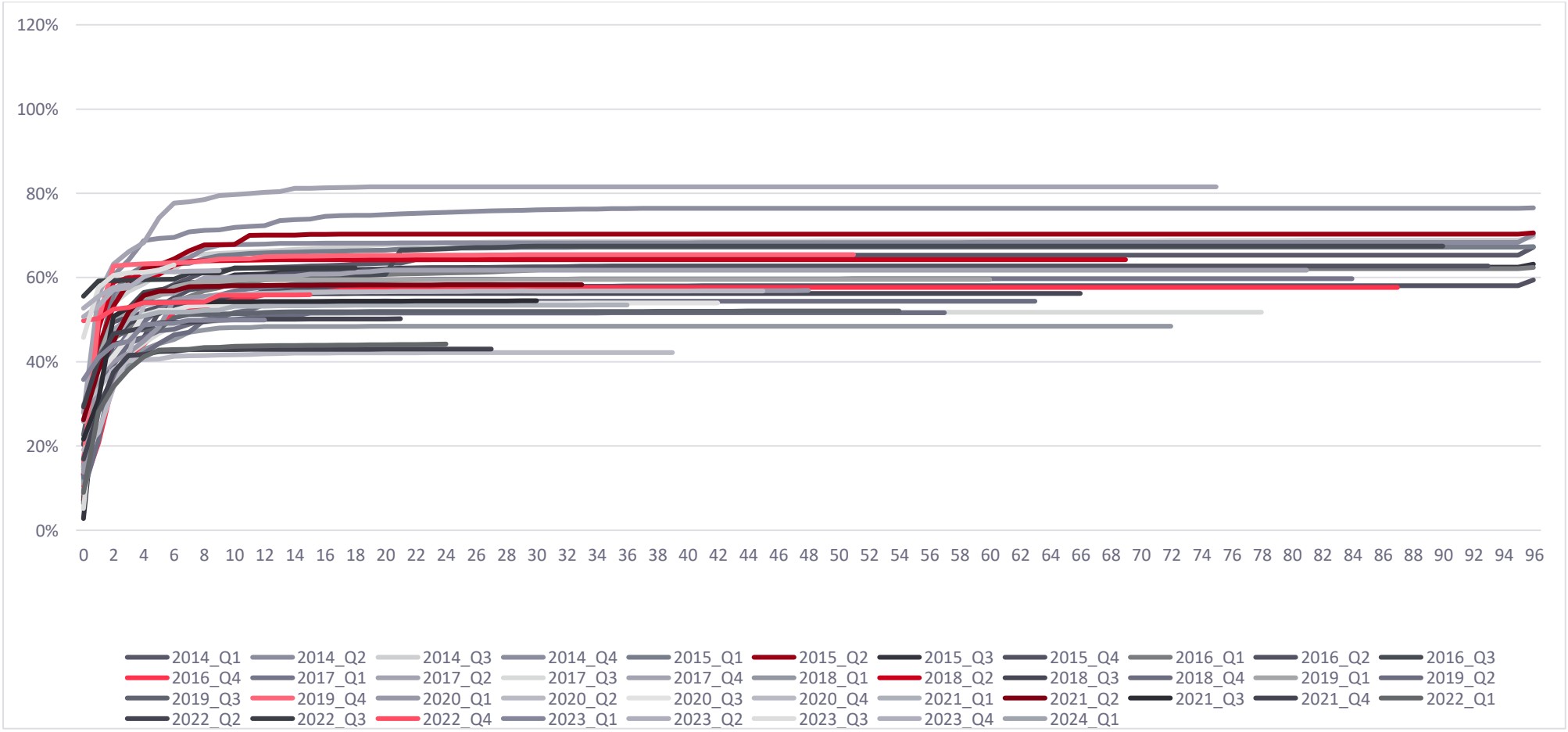
Cumulative HT Gross Loss – PCP



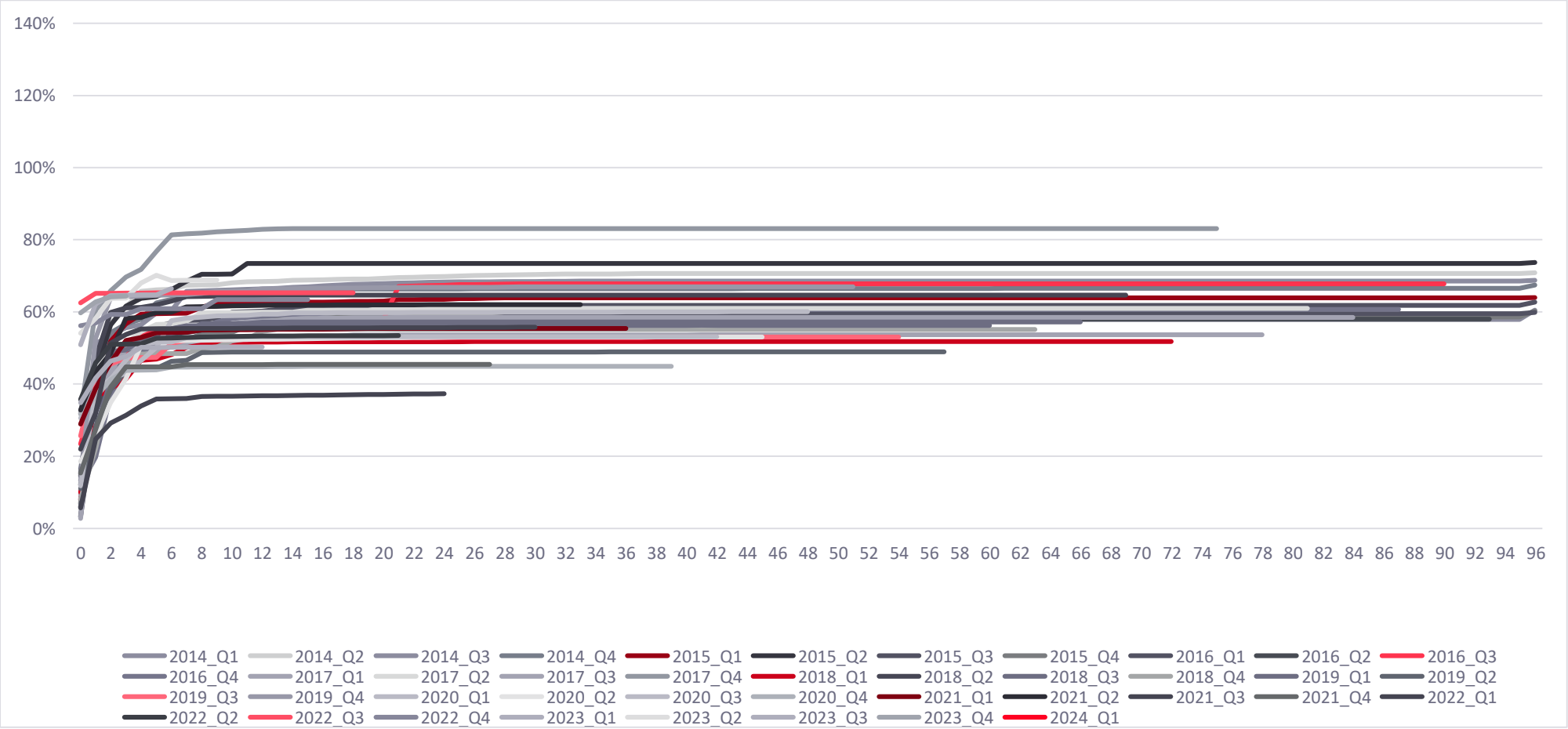
Cumulative HT Gross Loss – HP



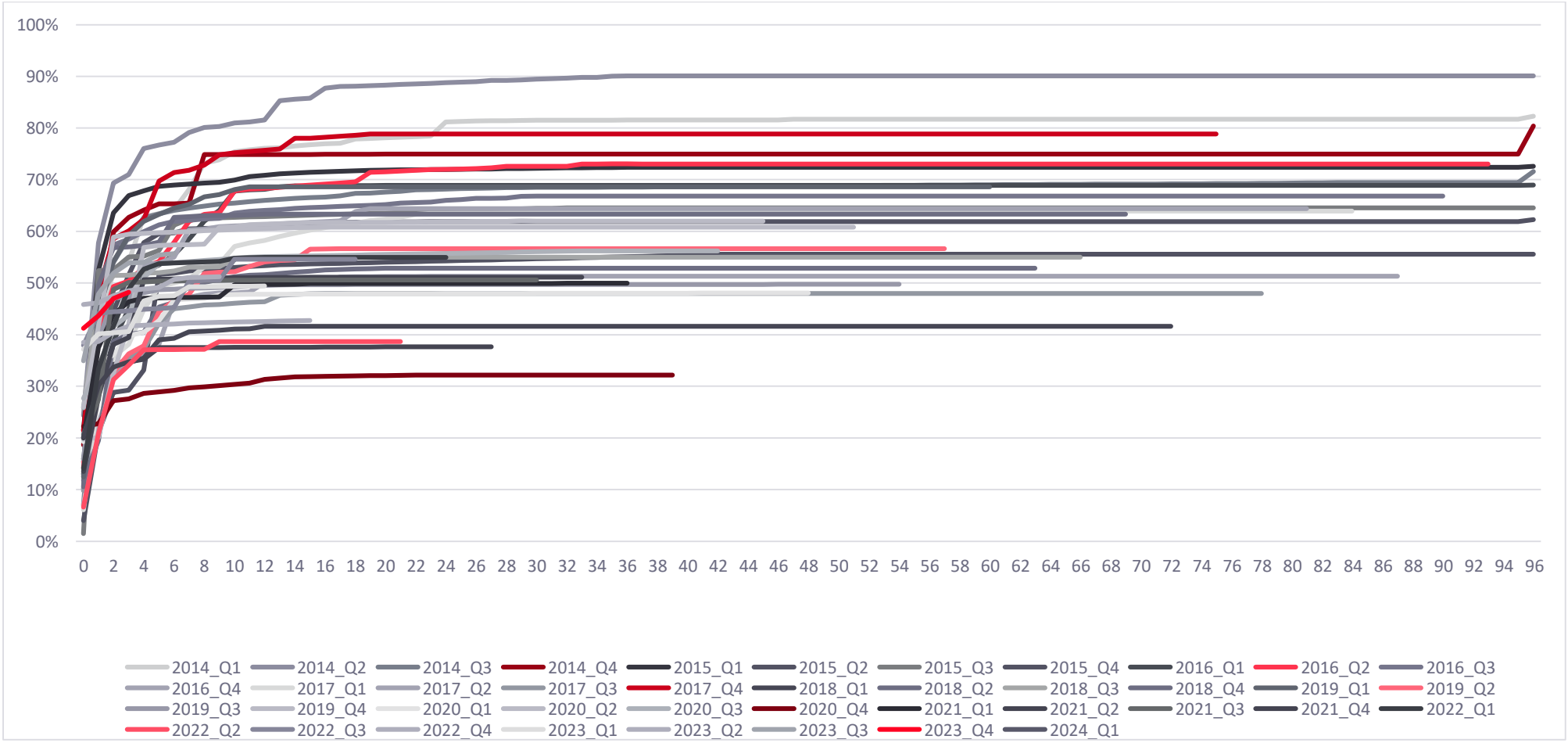
Cumulative HT Recoveries – Total



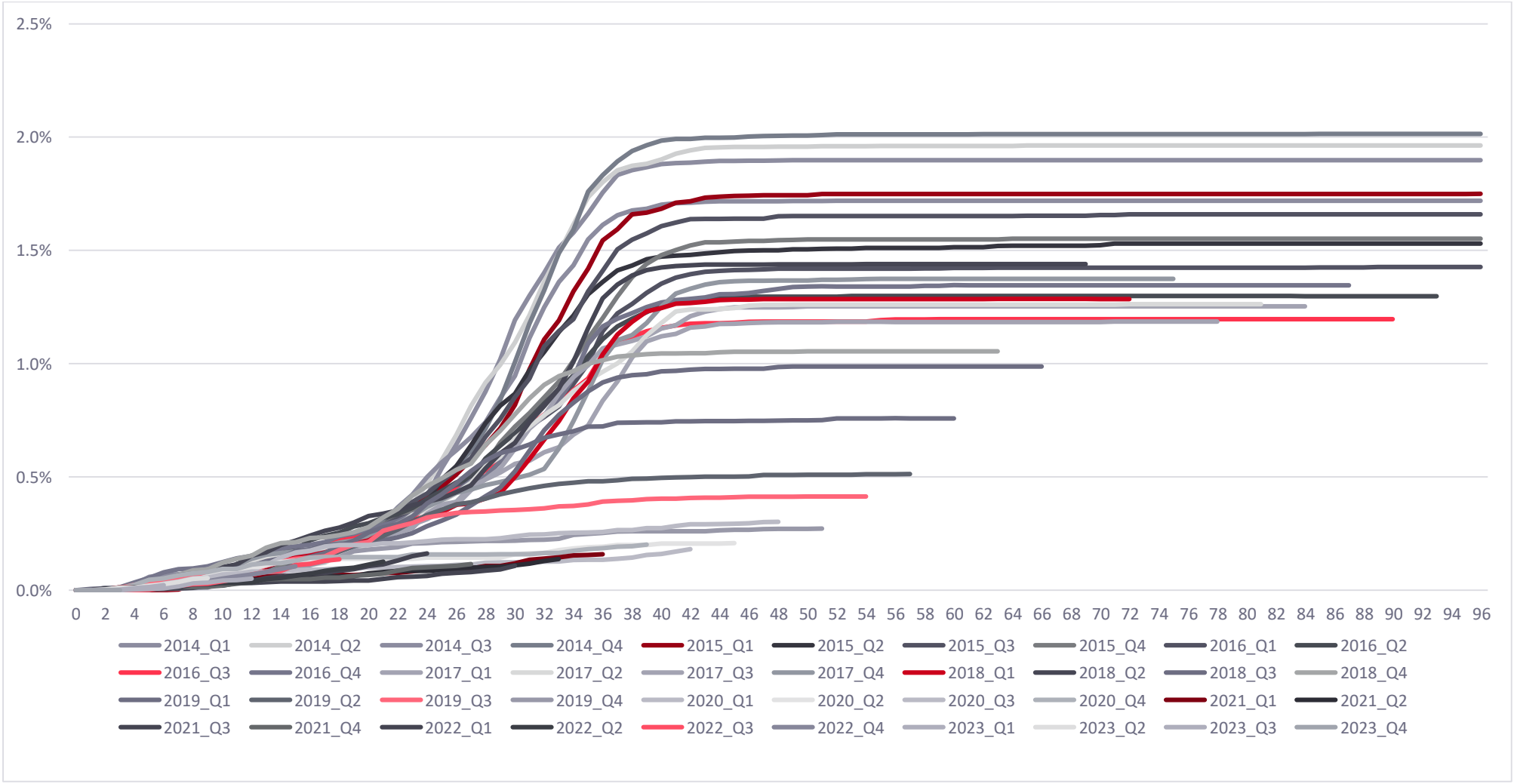
Cumulative HT Recoveries – PCP



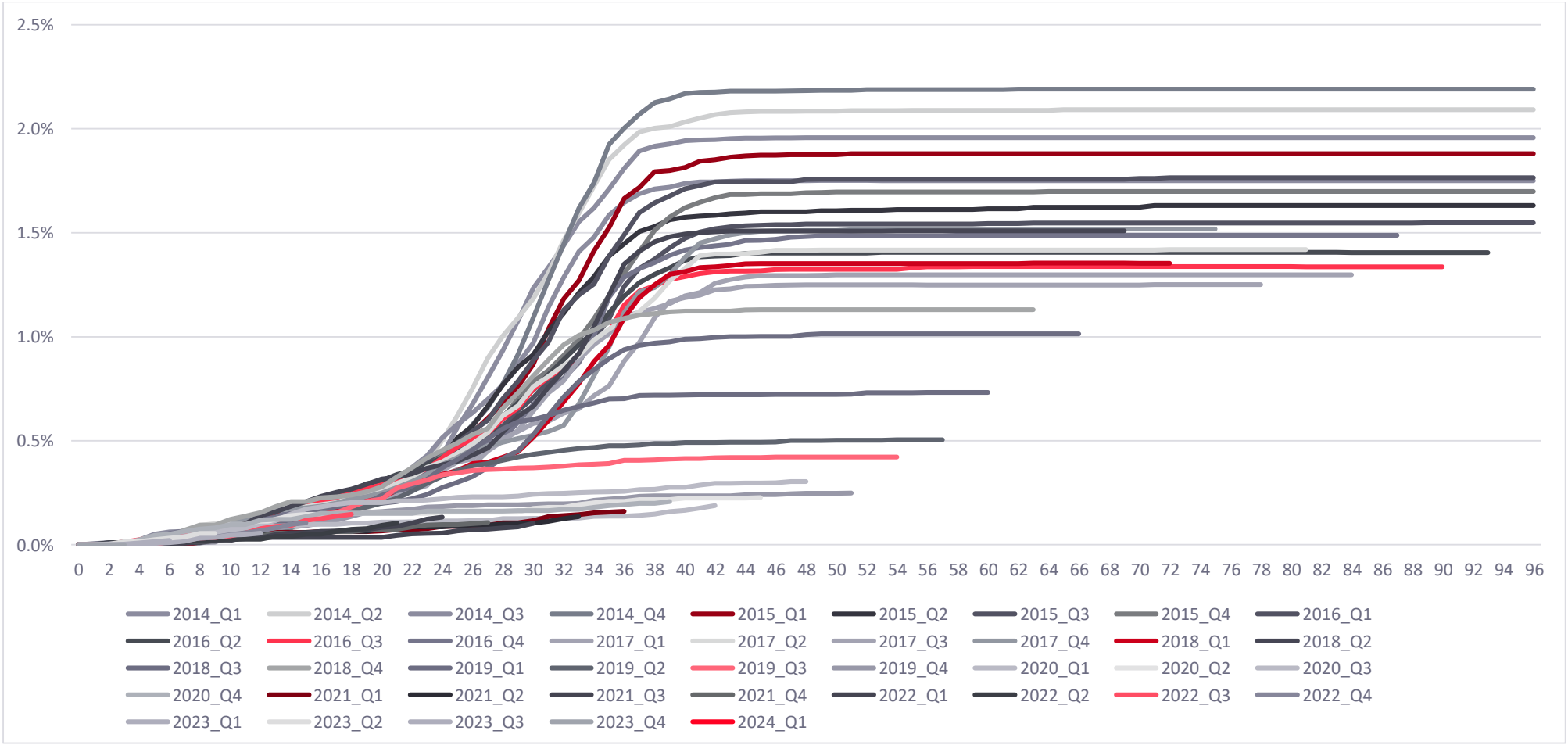
Cumulative HT Recoveries – HP



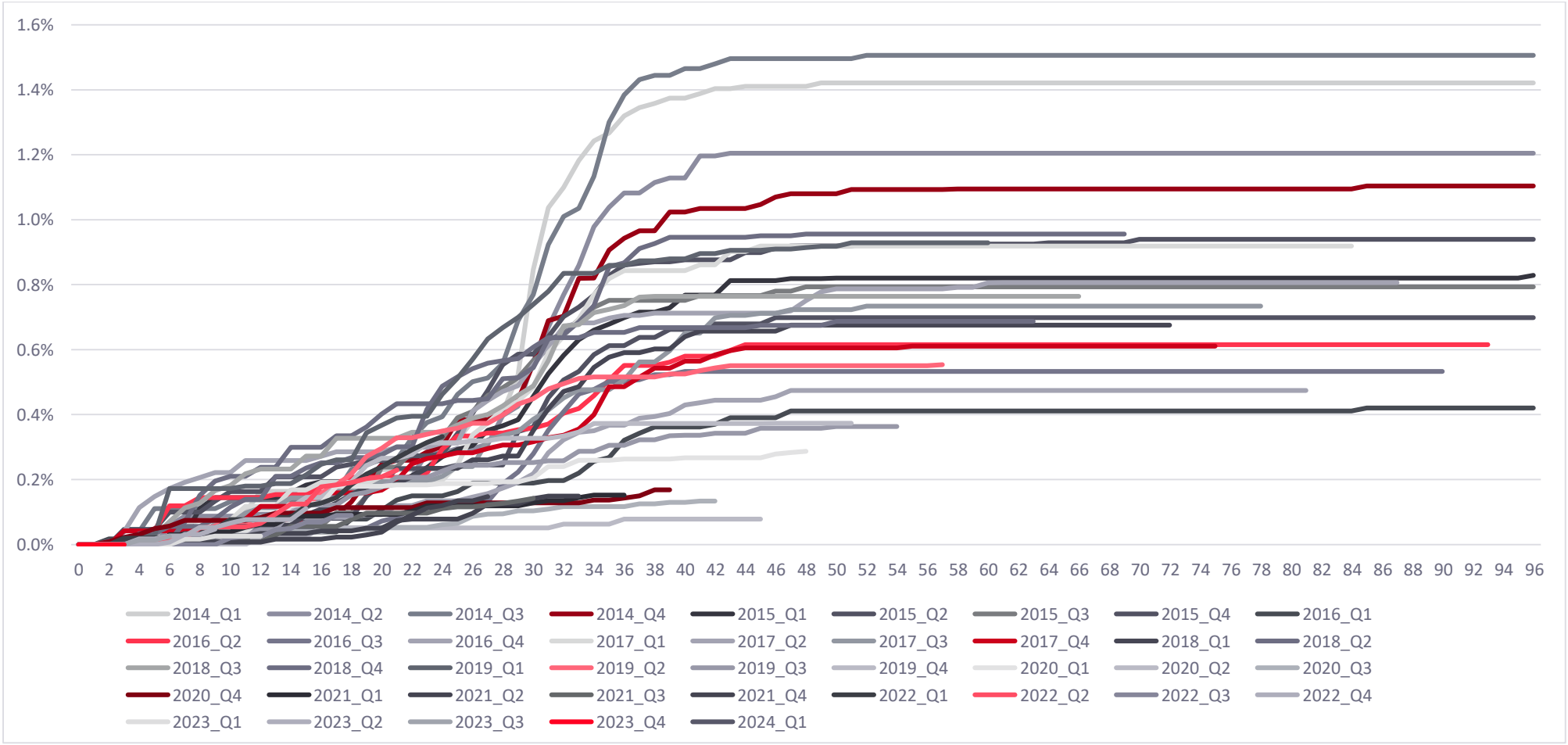
Cumulative VT Gross Losses – Total



Cumulative VT Gross Losses – PCP

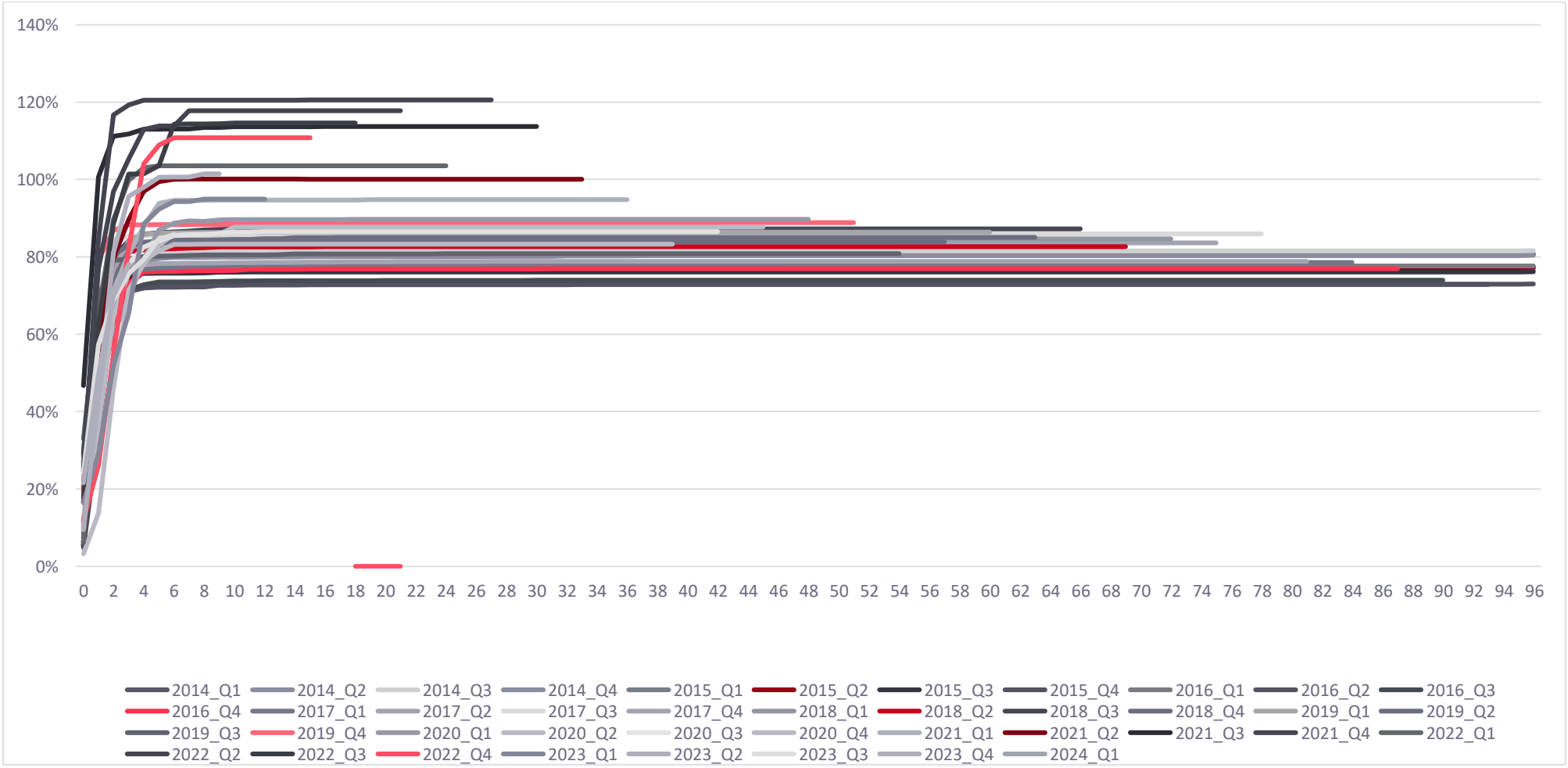


Cumulative VT Gross Losses – HP

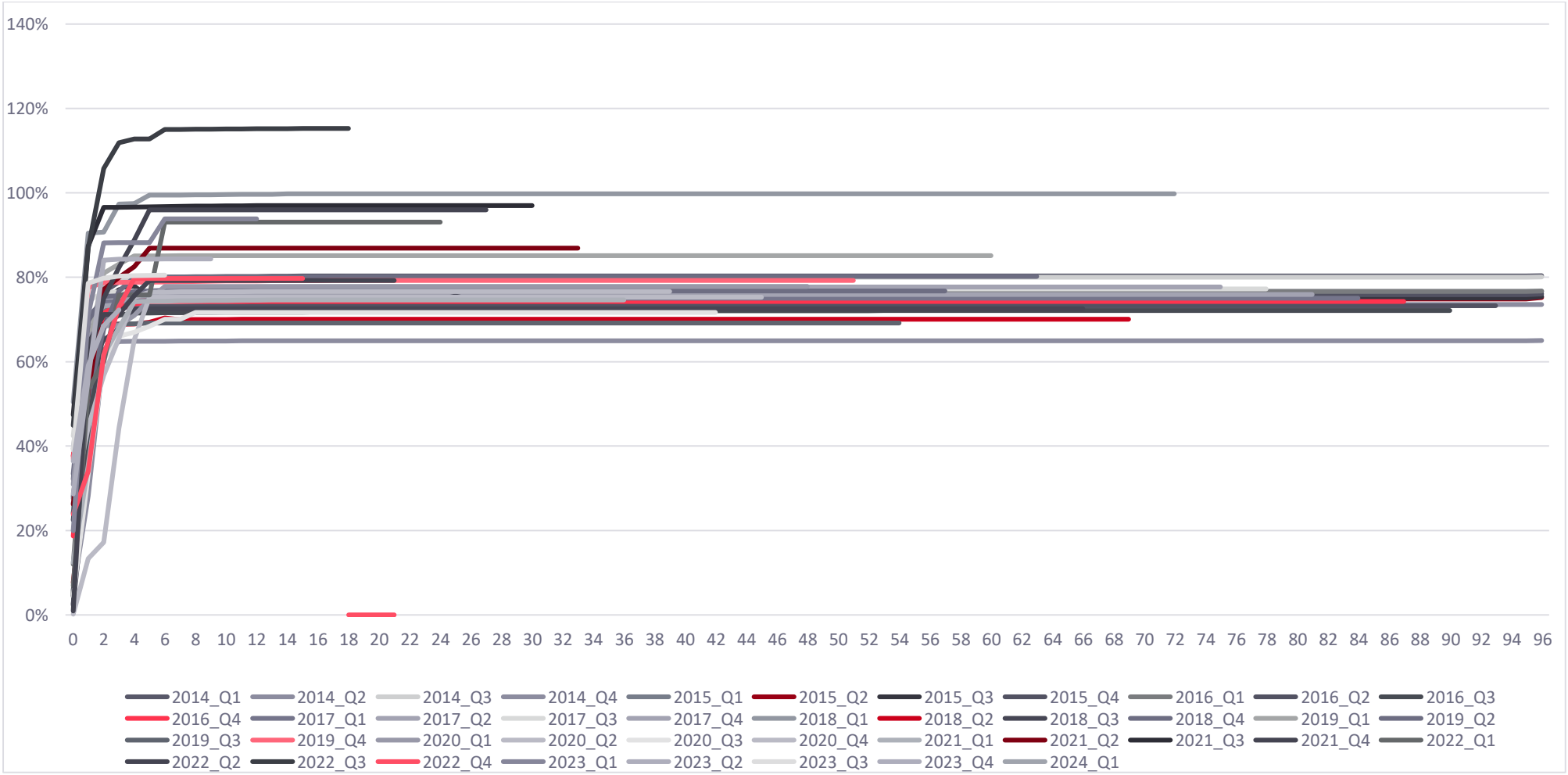


Cumulative VT Recoveries – Total

Cumulative VT Recoveries – PCP



Cumulative VT Recoveries – HP



Inferential statement of the Issuer

The Issuer states herewith that the securitised assets backing the issue have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes and the Subordinated Loan. However, this is not a guarantee given by the Issuer and the Issuer as a special purpose entity has only limited resources available as described under the "*RISK FACTORS – Factors that may affect the Issuer's ability to fulfil its obligations under the Notes – Structural and other credit risks – Limited resources of the Issuer*".

EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS

Weighted Average Life of the Notes

The weighted average life of the Class A Notes refers to the average amount of time that will elapse (on an actual/365 basis) from the Closing Date of the Class A Notes to the date of distribution of amounts distributed in net reduction of principal of such Notes to the Class A Noteholders (assuming no losses).

The weighted average life of the Class A Notes will be influenced by, amongst other things, the rate at which the Purchased Receivables are repaid or reduced, which may be in the form of scheduled amortisation, prepayments or defaults. The weighted average life of the Class A Notes may also be influenced by factors like arrears.

The following tables are prepared on the basis of certain assumptions, as described below:

(a) the Class A Notes and the Class B Notes are issued on the Closing Date of 26 September 2024;

(b) the portfolio as at the Initial Cut-Off Date is the same as the Initial Receivables at the Closing Date;

(c) the first Interest Payment Date will be 23 October 2024 and thereafter each following Interest Payment Date will be on the 23rd calendar day of each month, unless such date is not a Business Day, in which case the Interest Payment Date will fall on the first Business Day immediately following such date;

(d) during the Revolving Period, the Aggregate Discounted Receivables Balance is equal to the Aggregate Outstanding Note Principal Amount of the Class A Notes and Class B Notes on the Closing Date;

(e) the Revolving Period will end on the Interest Payment Date falling in March 2025;

(f) no amounts described in item (b), (f) and (g) of the definition of Available Receipts are received by the Issuer;

(g) the third party expenses due under item b and c of the Pre-Acceleration Priority of Payments (including the Servicing) Fee together are 1.03% per annum of the Aggregate Discounted Receivables Balance outstanding at the start of a month;

(h) the swap rate of the fixed leg is assumed at 3.971%;

(i) the relative scheduled amortisation profile of the Purchased Receivables is as set out in the section "*PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA – Run Out Schedule*" above;

(j) the Purchased Receivables are subject to a constant annual rate of principal prepayments as set out in the below table;

(k) no Purchased Receivables are repurchased by the Seller from the Issuer in any situation other than as described in paragraph (l) below;

(l) the Seller will exercise its right to exercise the Clean-Up Call at the earliest Interest Payment Date possible and the Issuer will not exercise the Tax Redemption Receivables Call Option at any time;

(m) the initial amount of each Class of Notes is equal to the Aggregate Outstanding Note Principal Amount as set forth on the front cover of this Prospectus;

(n) no delinquencies, defaults or voluntary terminations arise on the Purchased Receivables, and principal payments will be received on a timely basis together with prepayments (if any); and

(o) the scheduled amortisation profile of the Additional Receivables purchased by the Issuer on each Additional Purchase Date during the Revolving Period will be the same as the scheduled amortisation profile of the Initial Receivables;

(p) no option to purchase fees, early repayment charges or other fees, expenses, charges or costs under the Underlying Agreements are included in determining the weighted average life of the Notes.

The approximate weighted average lives of the Class A Notes, at various assumed rates of prepayment of the Purchased Receivables, would be as follows (with "CPR" being the constant prepayment rate):

Weighted average lives:

Class A Notes			
CPR (in %)	**WAL (in years)**	**First principal payment**	**Expected Maturity**
0%	1.88	April 2025	August 2027
5%	1.77	April 2025	July 2027
10%	1.68	April 2025	June 2027
15%	1.58	April 2025	May 2027
20%	1.50	April 2025	April 2027
25%	1.41	April 2025	February 2027
30%	1.34	April 2025	January 2027

The exact average life of the Class A 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.

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

Furthermore, it should also be noted that the calculation of the approximate lives of the Class A Notes as made herein and as made by the provider of the cash flow model which was prepared pursuant to Article 22(3) of the UK Securitisation Regulation might deviate from each other due to different calculations methods used herein (for the purpose of calculating the weighted average life of the Class A Notes) and the provider of the cash flow model prepared pursuant to Article 22(3) of the UK Securitisation Regulation.

THE ISSUER

1. INTRODUCTION

Koromo UK 1 PLC (the "**Issuer**") was incorporated in England and Wales under the Companies Act 2006 on 23 July 2024 (registered number 15852641) as a public company with limited liability under the Companies Act 2006 (as amended). The Issuer was established as a special purpose vehicle for the purposes of issuing the Notes and entering into the Subordinated Loan Agreement. The registered office of the Issuer is 10th Floor 5 Churchill Place, London, United Kingdom, E14 5HU, telephone 44 (0)203 855 0285. The issued share capital of the Issuer is 50,000 ordinary shares of £1, of which all shares are fully paid, and all shares are held on trust for discretionary purposes by the Share Trustee. The Issuer is legally and beneficially owned and controlled directly by the Share Trustee. The rights of the Share Trustee as a shareholder in the Issuer are contained in the articles of association of the Issuer and the Issuer will be managed in accordance with those articles and with the provisions of Companies Act 2006, as amended. The Seller does not own directly or indirectly any of the share capital of the Share Trustee or the Issuer. The Issuer has no subsidiaries.

2. PRINCIPAL ACTIVITIES

The Issuer is permitted, pursuant to the terms of its articles of association, *inter alia*, to issue the Notes and to acquire the Purchased Receivables and the Ancillary Rights.

The Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation, the authorisation and issue of the Notes and of the other documents and matters referred to or contemplated in this Prospectus to which it is or will be a party and matters which are incidental or ancillary to the foregoing.

There is no intention to accumulate surpluses in the Issuer (other than amounts standing to the credit of the Reserve Account (including the Commingling Reserve Ledger) and the Issuer Profit Ledger).

The Issuer will covenant to observe certain restrictions on its activities which are set out in Condition 3 (*Covenants*).

3. DIRECTORS AND COMPANY SECRETARY

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

Director	**Business address**	**Principal activities outside the Issuer**
CSC Directors (No. 1) Limited	10th Floor 5 Churchill Place, London, United Kingdom, E14 5HU, United Kingdom	Corporate director
CSC Directors (No. 2) Limited	10th Floor 5 Churchill Place, London, United Kingdom, E14 5HU	Corporate director
Alasdair James David Watson	10th Floor 5 Churchill Place, London, E14 5HU, United Kingdom,	Director

The company secretary of the Issuer is CSC Corporate Services (UK) Limited.

As at the date hereof, the Issuer has no employees, non-executive directors or premises.

The Directors of CSC Directors (No. 1) Limited and CSC Directors (No. 2) Limited and their business addresses and principal activities are as follows:

Director	**Business address**	**Principal activities**
Charmaine De Castro	10th Floor, 5 Churchill Place, London, England, E14 5HU	Director
Jonathan Hanly	10th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom	Director
Raheel Shehzad Khan	10th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom	Director
Renda Manyika	10th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom	Director
Catherine Mary Elizabeth Mcgrath	10th Floor, 5 Churchill Place, London, England, E14 5HU	Director
John Paul Nowacki	10th Floor, 5 Churchill Place, London, England, E14 5HU	Director
Debra Amy Parsall	10th Floor, 5 Churchill Place, London, England, E14 5HU	Director
Aline Sternberg	10th Floor, 5 Churchill Place, London, England, E14 5HU	Director
Oskari Tammenmaa	10th Floor, 5 Churchill Place, London, England, E14 5HU	Director
Jordina Roberta Therese Walker	10th Floor, 5 Churchill Place, London, England, E14 5HU	Director
Alasdair James David Watson	10th Floor, 5 Churchill Place, London, England, E14 5HU	Director
Paivi Helena Whitaker	10th Floor, 5 Churchill Place, London,	Director

England, E14 5HU

4. **CAPITALISATION STATEMENT**

The following table shows the capitalisation of the Issuer as at the date of this Prospectus:

Share capital

Authorised and issued:

50,000 ordinary shares of £1 each issued and fully paid up.

The accounting reference date of the Issuer is 31 March.

The Notes and the Subordinated Loan will be obligations of the Issuer only and will not be guaranteed by, or be the responsibility of TFSUK *or any other person or entity. It should be noted, in particular, that the Notes and the Subordinated Loan will not be obligations of, and will not be guaranteed by the Transaction Parties, the Co-Arrangers, the Joint Lead Managers or any of their respective affiliates.*

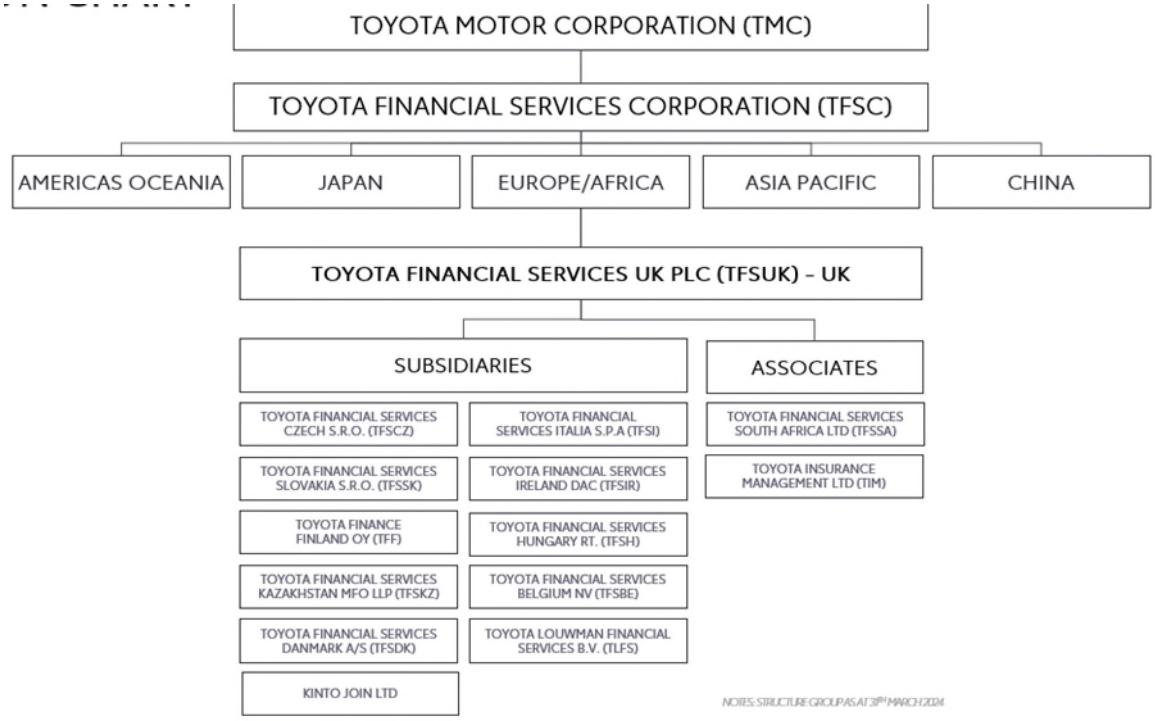
THE SELLER, THE SERVICER, THE SUBORDINATED LENDER, THE CASH MANAGER AND THE INTEREST DETERMINATION AGENT

TFSUK

TFSUK is a limited liability company incorporated under the laws of England and Wales in 1988 under registration number 2299961 with its registered office at Great Burgh, Burgh Heath, Epsom, Surrey, KT18 5UZ. It has subsidiaries in Italy, Slovakia, the Czech Republic, Finland, Kazakhstan, Belgium, Hungary, Denmark, Ireland, the Netherlands and an associate in South Africa.[3]

Ownership Structure

TFSUK is a wholly owned subsidiary of Toyota Financial Services Corporation ("**TFSC**"), the global captive finance provider for the Toyota Motor Corporation ("**TMC**") providing consumer credit to customers to enable the purchase of high quality new and used motor vehicles.. TFSC is controlled by TMC, namely the ultimate parent company, listed on the New York Stock Exchange, the London Stock Exchange, the Tokyo Stock Exchange and the Nagoya Stock Exchange.



TFSUK's activities

TFSUK has been originating, underwriting and servicing automotive loans since 2003. TFSUK has been authorised to provide regulated consumer credit activities since 14 January 2005.

The Financial Services Authority ("**FSA**") regulated TFSUK from 14 January 2005 until 31 March 2013, succeeded by the FCA on 1 April 2013, granting TFSUK interim permission pending full FCA authorisation. Application for full FCA authorisation was submitted to the FCA on 17 February 2016 and full FCA authorisations were granted thereafter. TFSUK has regulatory authorisations and permissions which are relevant to the provision of servicing in relation to the Underlying Agreements comprising the Portfolio, and also other auto hire purchase loans and personal contract purchase loans originated by TFSUK which are not to be sold to the Issuer. By

[3] Source: Directors Report 2023

31 March 2024, TFSUK had financed approximately £5 billion of hire purchase receivables and personal contract receivables and, as at that date, the assets under management by TFSUK totalled approximately 362,710 vehicles.

Toyota as a brand is well positioned within the automotive sector with a range of small efficient vehicles, strong representation in the "Alternative Fuelled Vehicles" sector through its hybrid technology and a growing range of electric vehicles. In the financial year ended 31 March 2024 its financial services market share / finance penetration remained high at 37.8% and TFSUK and its subsidiaries (the "**TFS Group**") provided finance to 183,000 new vehicle finance customers compounding the prior year's performance of 178,000 contracts. This performance was driven by strong alignment between its distribution, sales finance companies and dealer networks across Europe.

Used vehicles remain a core strategic priority for the TFS Group. They provide an entry point into the Toyota and Lexus brands for future new vehicle customers. Toyota and Lexus used finance cases increased during the financial year ended 31 March 2024 with a 4 per cent, increase compared to the prior year.

In the UK origination volumes in the financial year ended 31 March 2024 and prior financial years were as follows:

Year	**Principal amount (GBP)**
31 March 2024	2.71 billion
31 March 2023	2.69 billion
31 March 2022	2.48 billion
31 March 2021	1.78 billion
31 March 2020	1.91 billion

TFSUK operates in the UK market under four distinct brands; Toyota Financial Services, Lexus Financial Services, Mazda Financial Services and Redline Finance. The Toyota, Lexus and Mazda brands provide captive finance solutions to the corresponding UK distributors, whilst the Redline brand competes in the non-captive market, primarily for non-brand vehicles.

TFSUK's strategy is built upon two key pillars, Customer-Lifetime-Value (CLV) and Vehicle-Lifetime-Value (VLV), which focus on retaining both our customers and our financed assets through multiple usage cycles, thus creating long-term relationships that deliver on-going value, for our customers and shareholders.

Affordability and accessibility are at the core of our sales strategy, where the promotion of low-rate or supported finance propositions (for example, finance deposit contributions) are used to support the sales of the motor vehicles, and the value therefore derived through the vehicle value chain.

Operating principally as a prime lender, TFSUK's target customers are those with high creditworthiness, financial capability and capacity. Products are distributed primarily via franchised automotive dealerships (through which 98.8% of originations are made), with direct sales also offered via online channels (0.3%) and an internal "Customer Solutions Team" (contact centre – 0.9%).

Toyota (GB) PLC is the manufacturer distributor of Toyota and Lexus vehicles in the UK, and a full appointed representative of TFSUK. TFSUK does not have any other appointed representatives.

TFSUK's dealer network is long-established, and as such operates on the basis of close working relationships enabling TFSUK to understand and influence dealers.

As at 31 March 2024, TFSUK employed approximately 281 permanent staff and 16 temporary staff and agents.

Product description

TFSUK offers a range of finance products for predominantly private, but also corporate, customers, including hire purchase, personal contract purchase, lease purchase products and contract hire, all with fixed terms, interest rates and monthly instalments. Neither lease purchase nor contract hire products will be included in the pool.

Hire Purchase ("**HP**") Agreements

Mainly directed at retail Obligors, HP Agreements are available for both new and used vehicles. HP Agreements contain standard rental terms where an initial payment is made and then the balance is amortised in substantially equal monthly instalments. At the end of the term of the HP Agreement, after all sums due under the agreement, including any "option to purchase" fee, are paid, the Obligor becomes owner of the Vehicle.

Personal Contract Purchase ("**PCP**") Agreements

PCP Agreements are used for the financing of new and used vehicles in the retail market. PCP Agreements are similar to HP Agreements but with an additional larger "balloon" final rental payment at the end of the term of the PCP Agreement should the Obligor wish to take title to the Vehicle. Under PCP Agreements, the Obligor can either settle the contract by paying the balloon payment (and thereby purchase the vehicle) or, subject to the Vehicle being within the agreed mileage (or if not, the Obligor paying an Excess Mileage charge for all mileage exceeding the agreed mileage) and, where applicable, the Obligor reimbursing TFSUK in respect of any costs incurred by TFSUK to refurbish the Vehicle to a condition acceptable to TFSUK, and the Obligor being up to date with regular monthly repayments (or clearing any arrears of monthly payments and other fees and charges which have fallen due during the term of the agreement), return the vehicle to TFSUK in full effecting the final settlement of the PCP Agreement.

Where the Obligor chooses not to return the vehicle, title in the vehicle passes to the Obligor when the Obligor, pays the additional "balloon" final rental to TFSUK.

PCP remains the most popular single product in the TFSUK portfolio.

Key features of each product include:

	Toyota HP	**Lexus HP**	**Redline HP**	**Toyota PCP**	**Lexus PCP**	**Redline PCP**
Minimum amount to be financed	£1500	£1500	£1500	£1500	£1500	£1500
Term (min to max)	12 -60 months	12 -60 months	12 -60 months	Used cars: 12 - 49 months	Used cars: 12 - 49 months.	Used cars: 12 - 49 months.

				New cars: 12-48 months Max term for BEV is 36 months	New cars: 12-48 months Max term for BEV is 36 months	New cars: 12-48 months Max term for BEV is 36 months
Deposit parameters (min to max)	At the customer's discretion – max 95% of vehicle price	At the customer's discretion – max 95% of vehicle price	At the customer's discretion – max 95% of vehicle price	0% to 35% of the vehicle price	0% to 35% of the vehicle price	0% to 35% of the vehicle price
Type of customer permitted	Individuals, partnerships and companies	Individuals, partnerships and companies	Individuals, partnerships and companies	Individuals, partnerships and companies	Individuals, partnerships and companies	Individuals, partnerships and companies
Interest rate (fixed or variable)	Fixed for duration	Fixed for duration	Fixed for duration	Fixed for duration	Fixed for duration	Fixed for duration
Available for new and used vehicles?	Both	Both	Both	Both	Both	Both
Repayments	Fixed monthly repayments and a final option to purchase fee	Fixed monthly repayments and a final option to purchase fee	Fixed monthly repayments and a final option to purchase fee	Fixed monthly repayments and optional "final balloon payment"	Fixed monthly repayments and optional "final balloon payment"	Fixed monthly repayments and optional "final balloon payment"
Annual mileage limits?	No	No	No	Yes	Yes	Yes
Prepayment/amendment rights?	Customers are permitted to partially and/or fully early settle and/or voluntary terminate at any time, in accordance with the requirements of the CCA					
Payment concessions?	TFSUK offers a range of forbearance options, as required by the CCA and the FCA Handbook, in particular the CONC.					

Insurance

TFSUK acts as the distributor for Toyota Insurance Limited ("**TIS**") for some products (Minor Damage Protection and Tyre and Alloy) via the dealer networks. This is driven by customer demand, not connected to the finance product. Customers can pay the full amount for the

insurance or enter a separate insurance finance agreement – this is driven by customer demand, and both options are available at point of sale, but if the customer wishes to pay in instalments this is a separate agreement to the vehicle finance. Thus, customers can exercise their rights to cancel / amend their insurance without impacting the vehicle finance. Only HP or PCP Agreements are included in the pool – no insurance finance agreements are included.

Auditors

TFSUK has an internal audit function, conducting audits in line with the internal audit methodology that includes walkthroughs, key control identification, testing of controls, reporting & follow ups. Samples are selected to review the effectiveness of controls. External auditing occurs annually and is performed by PricewaterhouseCoopers.

Criteria for credit-granting

With reference to the Purchased Receivables comprised in the Portfolio, TFSUK has applied the same sound and well-defined criteria for credit-granting which it applies to non-securitised receivables. In particular, TFSUK:

(a) has applied the same clearly established processes for approving and, where relevant, amending, renewing and refinancing the Purchased Receivables; and

(b) has effective systems in place to apply those criteria and processes in order to ensure that credit granting is based on a thorough assessment of the Customer's creditworthiness taking appropriate account of factors relevant to assess the prospect of each Customer meeting his obligations under the relevant Receivable.

CREDIT AND COLLECTION PROCEDURES

Description of the underwriting process

TFSUK operates one bespoke and proprietary scorecard (based on TFSUK customer profiles), built by a primary bureau supplier, Equifax. Of all approved applications, approximately 70% are auto-approved, and 30% manually approved. TFSUK does not operate a rate for risk model or grant "pre-approvals". Up to seven years of financial data may be reviewed.

The approval process and verification checks

All underwriting is conducted centrally in TFSUK's head office; there are no branch offices. Auto-accept is available, with a manual underwriting referral process subject to policy rules. There are a number of attributes covering the following: payment history and arrears, total credit limit and utilisation percentage, overdraft utilisation, number of searches, loan-to-value, vehicle age and occupation.

The scorecard has built-in KYC processes, including electoral roll checks, credit reference agency checks, CIFAS checks, address verification requirements, bank details checked and affordability checks. 85% of customers utilise the Experian E-ID service through the e-signature process. Open banking is used on thin credit files. Each applicant's driving licence must be produced by the customer to the dealer for wet-ink signatures, in all cases. TFSUK has a distance selling policy, utilising open banking ID, and requires the applicant's driving licence to be produced in advance. Anti-money laundering, politically exposed persons and sanctions screening is performed for all onboarding via Equifax UK Plus service, and regularly in-life on existing customers. TFSUK also utilises information from NaVCIS and the FLA.

TFSUK has a dedicated fraud team at onboarding and on an ongoing basis. Line 1 compliance monitoring is performed.

Documents that are required to be signed by the Obligor

Once approved and authenticated, customers will be provided with Pre-Contract Credit Information ("**PCCI**") and "Adequate Explanation" documents for their information and consideration, and the finance agreement and Direct Debit Mandate to sign. Documents to be produced by the Obligor as part of the underwriting process

TFSUK may require customers to provide their driving licence, passport, birth certificate or shotgun licence. 3 years of employment history is required. Income is validated via open banking, where customers consent to this, or manual underwriting may require bank statements for this purpose, as required. If a customer is a non-national passport holder, TFSUK would request the biometric resident permit and/or visa.

Manner of communication of result to Obligor

Underwriting decisions are communicated electronically via the "NGage" system through which all applications are submitted for all products included in the transaction.

Process (if any) of review of the outcome

TFSUK operates an internal dedicated quality assurance team, reporting into legal and regulatory assurance. They conduct weekly random sampling of every underwriter's decision, with a minimum of nine quality checks completed per underwriter per month. The underwriting process, including decision and supporting notes and information is reviewed. Weekly reporting is provided to underwriters and supervisors, monthly reporting to general managers and quarterly board reporting.

Operational new business audit covering origination and underwriting form part of the audit universe that is subject to risk-based audits performed on a 3-year audit plan rotation.

Operational audits are conducted in line with the internal audit methodology that includes walkthroughs, key control identification, testing of controls, reporting & follow ups. Samples are selected to review the effectiveness of controls.

Origination & Underwriting controls, with a financial reporting impact are reviewed as part of the annual SOX review. The SOX reviews are performed following the Global SOX policy for reviewing SOX controls on an annual basis, this includes confirmation of the identified controls, testing of controls, reporting and follow ups. Sample sizes for SOX controls are determined in the scoping period for the year, which range from full sampling to limited sampling.

The group audit function also conducts audit activities and surveys which set the standard across the group. AML audit activities are also conducted.

Residual value setting

An in-house model is used in conjunction with benchmark guides and product knowledge to determine the Residual Value. TFS model takes current used values and derives their future value applying lifecycle curves, seasonality adjustments and remarketing performance data. Modelled RV is presented at the RV Committee and used to populate all RV points within the finance calculators. TFSUK compares benchmarking of similar competitor vehicles using CAP Gold Book RV forecasts. CAP Black Book used valuations. Back testing of the RV is conducted within the RV Committee paper, i.e., the current 3 year used value versus the RV set 3 years prior. Current and future volumes, including sales channel mix. Trends that will have an impact on the future used value of a vehicle. There is an RV committee, which meets quarterly, as well as extraordinary RV meetings which can be called at any time if required.

Description of the Collections Policies

TFSUK operates the following main policies and procedures in Collections:

- Forbearance Policy
- Forbearance Procedure and Matrix
- Income and Expenditure Policy and Procedure
- Vulnerable Customers Policy
- Vulnerable Customers Procedure
- Write off Policy and Procedure

Collections/Recovery

The standard collections process consists of letters, calls, texts and emails, and steps to be reviewed and actioned.

Almost without exception, payments are made by Direct Debit ("**DD**"). If a DD attempt is not successful, an automated Direct Debit representation process for payments returned due to lack of funds is attempted, after which the case is referred to an agent for review, if payment remains unsuccessful. All customers receive two automated letters for all arrears cases. The first is a notification and call to action letter, the second is a reminder. Once this initial process has taken place, the account will fall into a work queue and the manual collections process will start. The case management is fully manual using operational work queues, diary actions manual SMS, letter, and calls. Therefore there is far greater individual consideration/assessment of cases as these are reviewed by the Outcomes agent before each next action is taken.

Where a customer is experiencing financial difficulty, the forbearance process described below will be followed.

If no contact can be made with the customer, or progress cannot be made towards agreeing a resolution with the customer, TFSUK will consider proceeding with further escalation activity, which may include sending a pre-Notice of Default letter, a Notice of Default, a Pre-termination letter and finally s a last resort a termination notice, if resolution cannot be reached. Sufficient time will be allocated and checks and further contact attempts via various means will be undertaken between all such escalations in activity.

Payment holidays

Payment holidays (also referred to as "deferrals") will be considered and may be granted as part of the forbearance matrix as further described below, in accordance with regulatory expectations.

TFSUK has also previously offered an "AccessFlex" finance product, introduced through COVID, which contractually allows a customer to request and take up to three months of payment holiday (either consecutively or on three separate occasions during the term of the agreement. TFSUK is no longer offering this product in new business, but there are a number of live AccessFlex Contracts in the portfolio that are eligible for payment holidays if so elected by those customers. As at 30 June 2024, 0.55% of those who are eligible under this product have exercised this option.

Forbearance

TFSUK is committed to ensuring the fair treatment of customers in, or approaching, arrears or in default and that they receive good outcomes. TFSUK will engage effectively with customers, and ensure they receive appropriate forbearance that is in their interests and takes into account their individual circumstances. TFSUK recognises that many customers experiencing financial difficulty will display characteristics of vulnerability and will ensure that it meets the needs of vulnerable customers. TFSUK offers customers a range of forbearance measures, in accordance with the requirements of the FCA’s Handbook, in particular PRIN and CONC, the FCA Policy Statement PS24/2, the FCA Policy Statement PS22/9 and finalised guidance FG22/5, FG21/1 on the fair treatment of vulnerable customers, the Debt Respite Scheme regulations and the Mental Capacity Act 2005.

TFSUK recognises the importance of encouraging and facilitating customer engagement where they are in, or are at risk of, financial difficulty and will seek to ensure that customers receive tailored forbearance, appropriate to their individual circumstances, including taking into consideration how circumstances may change for individual customers over time. TFSUK will also ensure that any fees and charges are reasonable and that customers who are struggling with repayments are signposted to money guidance and debt advice.

When assessing and identifying appropriate forbearance options for a customer, TFSUK will always conduct an income and expenditure assessment (an "**I&E Assessment**") in accordance with the I&E Policy & Procedure, except in very limited circumstances as set out in policy (for example, if the customer refuses to engage in the process.

A range of forbearance options is available:

- Due date changes
- Payment plans
- Payment Deferrals
- Reduced Settlements

- Voluntary Surrender
- Voluntary Termination with reduced or no liability
- Breathing Space
- Reduction, waiver or cancellation of interest and charges
- Write-off vehicle recovery fees

Defaulted Underlying Agreements

TFSUK will not take steps to repossess the vehicle other than as a last resort, having explored all other possible options, given information on other termination options and where having made all reasonable attempts to engage with the customer, the customer has not engaged, or where a forbearance arrangement is in place for as long as the customer is meeting the terms of that arrangement.

Before commencing the repossession process, TFSUK will advise the customer in writing of the financial position of their account, and intended actions and timeframes and the impact on the customer's financial position if repossession action is suspended or delayed, including on the value of the vehicle. A default notice then will be served and allowed to expire and thereafter the agreement will be terminated.

Where the customer has paid less than one third of the total amount payable, the account will be referred to the appropriate approved third-party recovery agent for repossession of the vehicle, provided that it is not recovered from any premises.

Where the customer has paid more than one third of the total amount payable, the account will be referred to the appropriate approved third-party recovery agent for litigation in order to obtain a Return of Goods Order to enable the vehicle to be repossessed and judgment in respect of the remaining sums due.

Remarketing activities with respect to repossessed Vehicles

Suitable vehicles will be returned and go through a refurbishment and network resale programme. Unsuitable vehicles, i.e. those with excessive mileage, in poor condition etc. will be sold at an open auction.

Charged-off / Written-off Receivables

Sums owed by a customer may be written off at the discretion of TFSUK in circumstances where the customer is impacted to such a degree that there is no avenue of recovery available given the customer's circumstances, or in accordance with the forbearance options offered by TFSUK, or in other circumstances, for example, where the balance would be uneconomical to collect or unreasonable to pursue, the customer has deceased, cannot be traced, vehicle is deemed irrecoverable.

A write-off may be made in combination with a forbearance measure as set out in the forbearance policy and procedure, including on Voluntary Surrender, or Short Settlement.

Third party collection agents

The majority of collection activities are conducted in-house. TFSUK engages the support of vehicle recovery agents to collect vehicles on its behalf, if required. External collection agents are used for shortfall debt recovery and legal action which may be required as part of collection activities (for example, a return of goods order), as well as local-law specialists for legal action in Scotland and Ireland, if necessary.

THE NOTE TRUSTEE AND SECURITY TRUSTEE

No later than the Closing Date, the Issuer will appoint CSC Trustees Limited as the Note Trustee and the Security Trustee.

CSC Trustees Limited, a private limited company incorporated under the laws of England and Wales, registered with the UK Companies House under registration number 10830936 and having its registered office at 10th Floor, 5 Churchill Place, London, England, E14 5HU, United Kingdom has been appointed to act as Security Trustee and Note Trustee under the Transaction.

CSC Trustees Limited is part of the global corporate trust business within the Global Capital Markets division of Corporation Service Company (CSC). The corporate trust business spans EMEA, the U.S. and Asia Pacific and provides corporate trust and agency services in respect of a wide variety of corporate, asset backed and international bond issuances, including on structured debt securities issued by public and private corporations, financial institutions and special purpose vehicles.

In Europe, corporate trust and agency services are provided by CSC Trustees Limited and CSC Capital Markets (Ireland) Limited from offices in London and Dublin. In the U.S. these services are provided by Delaware Trust Company (a fully regulated TIA indenture trustee).

CSC Trustees Limited is part of the Corporation Service Company (CSC) group. CSC was established in Delaware more than 120 years ago and remains privately owned. Visit CSC at https://cscglobal.com.

The information in the preceding four paragraphs has been provided by CSC Trustees Limited for use in this Prospectus and CSC Trustees Limited is solely responsible for the accuracy of the preceding four paragraphs, provided that, with respect to any information included herein and specified to be sourced from CSC Trustees Limited (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the above information available to it from CSC Trustees Limited, no facts have been omitted, the omission would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy hereof. Except for the foregoing four paragraphs, CSC Trustees Limited, in its capacity as Note Trustee and as Security Trustee and its affiliates have not been involved in the preparation of and does not accept responsibility for, this Prospectus.

THE SWAP PROVIDER

For the purposes of the Transaction, the Issuer has appointed Royal Bank of Canada as Swap Provider.

The delivery of this Prospectus does not imply that there has been no change in the affairs of Royal Bank of Canada since the date hereof or that the information contained or referred to herein is correct as at any time subsequent to its date.

Royal Bank of Canada (referred to in this section as "**Royal Bank**") is a Schedule I bank under the Bank Act (Canada), which constitutes its charter and governs its operations. Royal Bank's corporate headquarters are located at Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, M5J 2J5, Canada, and its head office is located at 1 Place Ville Marie, Montreal, Quebec, H3B 3A9, Canada.

Royal Bank is a global financial institution with a purpose-driven, principles-led approach to delivering leading performance. Our success comes from the 100,000+ employees who leverage their imaginations and insights to bring our vision, values and strategy to life so we can help our clients thrive and communities prosper. As Canada's biggest bank, and one of the largest in the world based on market capitalization, we have a diversified business model with a focus on innovation and providing exceptional experiences to our more than 18 million clients in Canada, the U.S. and 27 other countries.

Royal Bank had, on a consolidated basis, as at July 31, 2024, total assets of C$2,076.1 billion (approximately US$1,503.1 billion[4]), equity attributable to shareholders of C$124.4 billion (approximately US$90.1 billion) and total deposits of C$1,361.3 billion (approximately US$985.6 billion). The foregoing figures were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and have been extracted and derived from, and are qualified by reference to, Royal Bank's unaudited Interim Condensed Consolidated Financial Statements included in its quarterly Report to Shareholders for the fiscal period ended July 31, 2024.

The senior long-term debt[5] of Royal Bank has been assigned ratings of A (stable outlook) by S&P Global Ratings, A1 (stable outlook) by Moody's Investors Service and AA- (stable outlook) by Fitch Ratings. The legacy senior long-term debt[6] of Royal Bank has been assigned ratings of AA- by S&P Global Ratings, Aa1 by Moody's Investors Service and AA by Fitch Ratings. Royal Bank's common shares are listed on the Toronto Stock Exchange, the New York Stock Exchange and the Swiss Exchange under the trading symbol "RY". Its preferred shares are listed on the Toronto Stock Exchange.

On written request, and without charge, Royal Bank will provide a copy of its most recent publicly filed Annual Report on Form 40-F, which includes audited Consolidated Financial Statements, to any person to whom this Prospectus is delivered. Requests for such copies should be directed to Investor Relations, Royal Bank of Canada, by writing to 200 Bay Street, South Tower, Toronto, Ontario, M5J 2J5, Canada, or by calling 416-842-2000, or by visiting www.rbc.com/investorrelations[7].

The delivery of this Prospectus does not imply that there has been no change in the affairs of Royal Bank since the date hereof or that the information contained or referred to herein is correct as at any time subsequent to its date.

The information in the preceding paragraphs of this section regarding the Swap Provider has been provided by Royal Bank of Canada, and Royal Bank of Canada is solely responsible for the

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4 As at July 31, 2024: C$1.00 = US$0.724

5 Includes senior long-term debt issued on or after September 23, 2018 which is subject to conversion under the Canadian Bank Recapitalization (Bail-in) regime.

6 Includes senior long-term debt issued prior to September 23, 2018 and senior long-term debt issued on or after September 23, 2018 which is excluded from the Bail-in regime.

7 This website URL is an inactive textual reference only, and none of the information on the website is incorporated in this Prospectus.

accuracy of the such paragraphs, provided that, with respect to any information included herein and specified to be sourced from the Royal Bank of Canada (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the above information available to it from the Swap Provider, no facts have been omitted, the omission would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy hereof. Except for the preceding paragraphs of this section, Royal Bank of Canada in its capacity as Swap Provider, and its affiliates have not been involved in the preparation of, and does not accept responsibility for, this Prospectus.

THE CORPORATE SERVICES PROVIDER AND BACK-UP FACILITATOR

Pursuant to the Corporate Services Agreement, the Issuer has appointed CSC Capital Markets UK Limited as corporate services provider (the "**Corporate Services Provider**") to provide management, secretarial and administrative services to each of them, including the provision of directors. It is not in any manner associated with the Issuer or with TFSUK.

Pursuant to the Servicing Agreement, the Issuer has appointed CSC Capital Markets UK Limited as back-up facilitator (the "**Back-up Facilitator**") to facilitate the appointment of a suitable entity with all necessary facilities available to act as successor servicer and/or replacement cash manager and will use reasonable efforts to ensure that such entity enters into a successor servicing agreement and/or a replacement cash management agreement, the terms of which are similar to the terms of the Servicing Agreement and/or the Cash Management Agreement (as applicable).

CSC Capital Markets UK Limited has served and is currently serving as corporate services provider and back-up facilitator for numerous securitisation transactions and programmes.

The information in the preceding paragraph has been provided by CSC Capital Markets UK Limited for use in this Prospectus and CSC Capital Markets UK Limited is solely responsible for the accuracy of the preceding paragraph, provided that, with respect to any information included herein and specified to be sourced from the Corporate Services Provider and Back-up Facilitator (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the above information available to it from the Corporate Services Provider and Back-up Facilitator, no facts have been omitted, the omission would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy hereof. Except for the preceding paragraph, CSC Capital Markets UK Limited in its capacity as Corporate Services Provider and Back-up Facilitator, and its affiliates have not been involved in the preparation of, and does not accept responsibility for, this Prospectus.

THE ACCOUNT BANK, REGISTRAR AND PAYING AGENT

No later than the Closing Date, the Issuer will appoint Citibank, N.A., London Branch as Account Bank, Registrar and Paying Agent. See "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Bank Account Agreement* and "*OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS — Agency Agreement*".

Citibank, N.A. is a company incorporated with limited liability in the United States of America under the laws of the City and State of New York on 14 June 1812 and reorganised as a national banking association formed under the laws of the United States of America on 17 July 1865 with Charter number 1461 and having its principal office at 388 Greenwich Street, New York, NY 10013, USA and having in Great Britain a principal branch office situated at Citgroup Centre, Canada Square, Canary Wharf, London E14 5LB with company branch number BR001018 and foreign company number FC001835.

The London Branch is authorised and regulated by the Financial Conduct Authority and authorised by the PRA and is subject to regulation by the FCA and limited regulation by the PRA.

The information in the preceding two paragraphs has been provided by Citibank, N.A. for use in this Prospectus and Citibank, N.A. is solely responsible for the accuracy of the preceding two paragraphs, provided that, with respect to any information included herein and specified to be sourced from Citibank, N.A. (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the above information available to it from Citibank, N.A. no facts have been omitted, the omission would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy hereof. Except for the preceding two paragraphs, Citibank, N.A., in its capacity as Account Bank, Registrar and Paying Agent has not been involved in the preparation of and do not accept responsibility for, this Prospectus.

TAXATION

The following information is a general discussion only of the United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom Tax purposes) in respect of the Notes. This discussion does not consider any specific facts or circumstances that may apply to a particular holder or prospective holder. This overview is based on the laws of England and Wales and published HM Revenue and Customs practice currently in force and as applied at the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

The following information is not intended as tax or legal advice and the comments below are of a general nature only. It should be read in conjunction with the section entitled "*RISK FACTORS*". Potential investors in the Notes are urged to satisfy themselves as to the overall tax consequences of purchasing, holding and/or selling the Notes and, therefore, to consult their professional tax advisors.

Withholding tax on the Notes

Payments of interest by the Issuer on the Notes will be payable without withholding or deduction for or on account of United Kingdom income tax provided that, in case of the Class A Notes, the Class A Notes are and remain listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 or the "Income Tax Act". Euronext Dublin is currently so recognised and provided that the Notes are and remain listed and admitted to trading on the main market of Euronext Dublin and Euronext Dublin continues to be a "recognised stock exchange" for the purposes of section 1005 of the Income Tax Act, the interest on the Class A Notes will be payable without withholding or deduction for or on account of United Kingdom income tax.

If the Notes cease to be listed on a "recognised stock exchange", an amount must be withheld for or on account of United Kingdom income tax at the basic rate, currently 20%, from interest paid on them, subject to (i) any direction to the contrary from HM Revenue and Customs in respect of such relief as may be available pursuant to the provisions of an applicable double taxation treaty, or (ii) any other available exemptions or reliefs.

U.S. Foreign Account Tax Compliance Act

Pursuant to certain provisions of the Code, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes.

A number of jurisdictions (including the United Kingdom) have entered into, or agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of the IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes and the Subordinated Loan, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes and the Subordinated Loan, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes and the Subordinated Loan, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register, and Notes and the Subordinated Loan characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax

purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for the purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes and the Subordinated Loan, no person will be required to pay additional amounts as a result of the withholding.

Holders should consult their own tax advisers in relation to the way in which these rules may apply to their investment in the Notes.

VERIFICATION BY PCS

This Transaction will be verified by Prime Collateralised Securities (UK) Limited ("**PCS**") as being compliant with the criteria stemming from Articles 19, 20, 21 and 22 of the UK Securitisation Regulation (the "**UK STS Verification**") and to prepare an assessment of compliance of the Notes with Article 243 of the CRR and Article 13 of the LCR Regulation (together with the STS Verification the "**UK STS Assessments**"). There can be no assurance that the UK STS Assessments shall not, under any circumstances, affect the liability of TFSUK (as the originator for the purposes of the UK Securitisation Regulation) and the Issuer (as the SSPE for the purposes of the UK Securitisation Regulation) in respect of their legal obligations under the UK Securitisation Regulation, nor shall it affect the obligations imposed on institutional investors as set out in Article 5 of the UK Securitisation Regulation.

The UK STS Assessments are provided by PCS. The UK STS Assessments are not a recommendation to buy, sell or hold securities, is not investment advice whether generally or as defined under Markets in Financial Instruments Directive (2004/39/EC) and is not a credit rating whether generally or as defined under the Credit Rating Agency Regulation (1060/2009/EC) or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended). PCS is not an "expert" as defined in the Securities Act.

PCS is not a law firm and nothing in the UK STS Assessments constitutes legal advice in any jurisdiction. PCS is authorised by the United Kingdom Financial Conduct Authority, pursuant to Article 28 of the UK Securitisation Regulation, to act as a third party verifying STS compliance. This authorisation covers STS Verifications in the United Kingdom.

By providing the UK STS Assessments in respect of any securities, PCS does not express any views about the creditworthiness of the Notes or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for the Notes. Investors should conduct their own research regarding the nature of the UK STS Assessments and must read the information set out in http://pcsmarket.org. In the provision of the UK STS Assessments, PCS has based its decision on information provided directly and indirectly by the Seller. PCS does not undertake its own direct verification of the underlying facts stated in the prospectus, deal sheet, documentation or certificates for the Notes and the completion of the UK STS Assessments is not a confirmation or implication that the information provided by or on behalf of the Seller as part of the UK STS Assessments is accurate or complete.

In completing the UK STS Assessments, PCS bases its analysis on the STS criteria appearing in Articles 19 to 22 of the UK Securitisation Regulation together with, if relevant, the appropriate provisions of Article 43, (together, the "**UK STS Criteria**"). Unless specifically mentioned in the UK STS Assessments, PCS relies on the English version of the Securitisation Regulation. The task of interpreting individual UK STS Criteria rests with national competent authorities ("**NCAs**"). Any NCA may publish or otherwise publicly disseminate from time to time interpretations of specific criteria ("**NCA Interpretations**"). The UK STS criteria, as drafted in the UK Securitisation Regulation, are subject to a potentially wide variety of interpretations. In compiling the UK STS Assessments, PCS uses its discretion to interpret the UK STS criteria based on (a) the text of the UK Securitisation Regulation, (b) any relevant guidelines issued by FCA and (c) any relevant NCA Interpretation. There can be no guarantees that any regulatory authority or any court of law interpreting the UK STS criteria will agree with the interpretation of PCS. There can be no guarantees that any future guidelines issued by FCA or NCA Interpretations may not differ in their approach from those used by PCS in interpreting any UK STS criterion prior to the issuance of such new guideline or interpretation. In particular, guidelines issued by FCA are not binding on any NCA. There can be no guarantees that any interpretation by any NCA will be the same as that set out in the FCA guidelines and therefore used, prior to the publication of such NCA interpretation, by PCS in completing the UK STS Assessments. Although PCS will use all reasonable endeavours to ascertain the position of any relevant NCA as to UK STS criteria

interpretation, PCS cannot guarantee that it will have been made aware of any NCA interpretation in cases where such interpretation has not been officially published by the relevant NCA. Accordingly, the provision of the UK STS Assessments is only an opinion by PCS and not a statement of fact. It is not a guarantee or warranty that any national competent authority, court, investor or any other person will accept the STS status of the relevant securitisation.

All PCS Services speak only as of the date on which they are issued. PCS has no obligation to monitor (nor any intention to monitor) any securitisation the subject of any PCS Service. PCS has no obligation and does not undertake to update any PCS Service to account for (a) any change of law or regulatory interpretation or (b) any act or failure to act by any person relating to those STS Criteria that speak to actions taking place following the close of any transaction such as, without limitation, the obligation to continue to provide certain mandated information.

SUBSCRIPTION AND SALE

SUBSCRIPTION OF THE NOTES

The Joint Lead Managers, the Co-Arrangers, the Issuer and the Seller are parties to the Subscription Agreement. Pursuant to the Subscription Agreement, the Joint Lead Managers have agreed, subject to certain conditions, to subscribe, or to procure subscriptions, for:

£500,000,000 of the Class A Notes at the issue price of 100 per cent. of the aggregate principal amount of the Class A Notes and will distribute the Class A Notes to potential investors.

The Seller will purchase the entirety of the Class B Notes under the Subscription Agreement.

Pursuant to the Subscription Agreement, TFSUK, as originator, will retain a material net economic interest of not less than 5% in the securitisation as required by Article 6(1) of the UK Securitisation Regulation (the "**UK Retention Requirements**"). In addition, although the EU Securitisation Regulation is not applicable to it, TFSUK, as originator, will retain (on a contractual basis), a material net economic interest of not less than 5% in the securitisation in accordance with Article 6 of the EU Securitisation Regulation (not taking into account any relevant national measures), as if it were applicable to it (the "**EU Retention Requirements**" and, together with the UK Retention Requirements, the "**Retention Requirements**"). As at the Closing Date and while any of the Notes remain outstanding, such interest will be comprised of its holding of the Class B Notes and Subordinated Loan in accordance with Article 6(3)(d) of the UK Securitisation Regulation and Article 6(3)(d) of the EU Securitisation Regulation. Any change to the manner in which such interest is held will be notified to Noteholders.

The Seller has agreed to pay the Joint Lead Managers a placement commission on the Notes, as agreed between the parties to the Subscription Agreement. The Seller has further agreed to reimburse the Lead Manager for certain of its expenses in connection with the issue of the Notes.

In the Subscription Agreement, the Issuer has made certain representations and warranties in respect of its legal and financial matters.

SELLING RESTRICTIONS

General

Other than admission of the Class A Notes to the Official List of Euronext Dublin and to trading on its Regulated Market, no action has been taken by the Issuer, the Arranger, the Joint Lead Managers or the Seller that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each of the Joint Lead Managers and the Co-Arrangers have not, directly or indirectly, offered, sold or delivered, and have agreed that they will not, directly or indirectly, offer, sell or deliver, any of the Notes or distribute this Prospectus or any other offering material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations of such jurisdiction, to the best of the Joint Lead Managers' and the Co-Arrangers' knowledge and belief, and the Joint Lead Managers and the Co-Arrangers have not imposed, and will not impose, any obligations on the Issuer except as set out in the Subscription Agreement.

INVESTOR REPRESENTATIONS

Except with the prior consent of the Seller and where such sale falls within the exemption provided by Section 20 of the U.S. Risk Retention Rules the Notes sold as part of the initial distribution of the Notes may not be purchased by, or for the account or benefit of, any person except for persons that are not Risk Retention U.S. Persons. Prospective investors should note that, although the definition of "U.S. person" in the U.S. Risk Retention Rules is similar to the definition of "U.S. person" in Regulation S, the definitions are not identical and that persons who are not "U.S. Persons" under Regulation S may be "U.S. Persons" under the U.S. Risk Retention Rules.

Each purchaser of the Notes (which term for the purposes of this section will be deemed to include any interest in the Notes, including Book-Entry Interests) during the initial distribution will be deemed to have represented and agreed as follows: it (1) either (i) is not a Risk Retention U.S. Person or (ii) has obtained a U.S. Risk Retention Waiver from the Seller, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Notes and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules). Any Risk Retention U.S. Person wishing to purchase the Notes must inform the Seller and the Joint Lead Managers that it is a Risk Retention U.S. Person.

The Seller, the Issuer, the Co-Arrangers and the Joint Lead Managers have agreed that the determination of the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in the U.S. Risk Retention Rules is solely the responsibility of the Seller, and none of the Joint Lead Managers, the Co-Arrangers or any person who controls such person or any director, officer, employee, agent or affiliate of such person shall have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in the U.S. Risk Retention Rules, and none of the Joint Lead Managers, the Co-Arrangers or any person who controls it or any director, officer, employee, agent or affiliate of such person accepts any liability or responsibility whatsoever for any such determination or characterisation. Prospective investors should consult their own advisors as to the U.S. Risk Retention Rules.

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 to the Issuer, the Seller, the Co-Arrangers and the Joint Lead Managers and agreed as follows:

(a) 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;

(b) the 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 securities laws or "blue sky" laws of any state or other jurisdiction of the United States 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 herein; and

(c) 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 "*Selling Restrictions*."

United States of America and its Territories

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

The Notes may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in accordance with Regulation S. 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.

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until forty (40) calendar days after the later of (a) the date the Notes are first offered to persons other than distributors in reliance on Regulation S and (b) the Closing Date, except in either case, in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them in Regulation S under the Securities Act".

Terms used in this section have the meaning given to them in Regulation S under the Securities Act.

United Kingdom

Each of the Joint Lead Managers and the Co-Arrangers has represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

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

Ireland

Each of the Joint Lead Managers and the Co-Arrangers has represented, warranted and agreed that:

(a) it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended), including, without limitation, Regulation 5 (Requirement for authorisations (and certain provisions concerning MTFs and OTFs)) thereof and in connection with the MiFID Regulations, any applicable codes of conduct or rules and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank, Regulation (EU) No 600/2014, as amended, and any delegated or implementing acts adopted thereunder, any codes of conduct made thereunder and the provisions of the Investor Compensation Act 1998 of Ireland (as amended); and

(b) it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942 - 2018 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 of Ireland, as amended thereof; and

(c) it will not underwrite the issue of, or place, or do anything in Ireland with respect to the Notes otherwise than in conformity with the provisions of the European Union (Prospectus Regulations, 2019 and any rules issued by the Central Bank under Section 1363 of the Companies Act; and

(d) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014) (as amended), the European Union (Market Abuse) Regulations 2016 (as amended) and any rules and guidance issued under Section 1370 of the Companies Act 2014 by the Central Bank of Ireland.

Prohibition of Sales to UK Retail Investors

Each of the Joint Lead Managers and the Co-Arrangers has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or

(b) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA; and

(c) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Prohibition of Sales to EEA Retail Investors

Each of the Joint Lead Managers and the Co-Arrangers has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

General

Each of the Joint Lead Managers and the Co-Arrangers has undertaken that it will not, directly or indirectly, offer or sell any Notes or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in respect of the Notes in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations, and all offers and sales of Notes by it will be made on the same terms.

Legend

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

NEITHER THIS SECURITY NOR BENEFICIAL INTERESTS HEREIN HAVE BEEN OR WILL BE REGISTERED UNDER THE U.S. 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. 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, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) (1) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (2) OTHERWISE.

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 THEREOF 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) OR PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ANY PURPORTED TRANSFER OF THIS SECURITY THAT DOES COMPLY WITH THE FOREGOING REQUIREMENTS SHALL BE NULL AND VOID *AB INITIO*. 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.

EXCEPT WITH THE PRIOR WRITTEN CONSENT OF THE SELLER (A **U.S. RISK RETENTION WAIVER**) AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE U.S. SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE **U.S. RISK RETENTION RULES**), THIS SECURITY AND BENEFICIAL INTERESTS HEREIN MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY "U.S. PERSON" AS DEFINED IN THE U.S. RISK RETENTION RULES (**RISK RETENTION U.S. PERSONS**). EACH PURCHASER OF THE NOTES A BENEFICIAL INTEREST HEREIN ACQUIRED IN THE INITIAL DISTRIBUTION THEREOF BY ITS ACQUISITION OF SUCH NOTE, OR BENEFICIAL INTEREST THEREIN, WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) EITHER (i) IS NOT A RISK RETENTION U.S. PERSON OR (ii) IT HAS OBTAINED A U.S. RISK RETENTION WAIVER FROM THE SELLER, (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING SUCH NOTE THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES). ANY RISK RETENTION U.S. PERSON WISHING TO PURCHASE NOTES MUST INFORM THE SELLER AND THE JOINT LEAD MANAGERS THAT IT IS A RISK RETENTION U.S. PERSON.

THIS NOTE IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED IN THIS NOTE AND IN THE TRUST DEED. ANY SALE OR TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE NOTE TRUSTEE OR ANY INTERMEDIARY. EACH TRANSFEROR OF THIS NOTE AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET OUT IN THIS NOTE AND IN THE TRUST DEED TO THE TRANSFEREE.

USE OF PROCEEDS

The net proceeds of the issue of the Notes are expected to amount to GBP 657,895,000 and will be used by the Issuer to fund the purchase of the Initial Receivables comprised in the Portfolio on the Closing Date.

The net proceeds of the Subordinated Loan will be used by the Issuer to establish the Reserve Fund through the retention of the Reserve Fund Required Amount.

GENERAL INFORMATION

1. Subject of this Prospectus

This Prospectus relates to GBP 657,895,000 aggregate principal amount of the Notes issued by Koromo UK 1 PLC , 10th Floor 5 Churchill Place, London, E14 5HU, United Kingdom.

2. Authorisation

The issue of the Notes was authorised by a resolution of the board of directors of Koromo UK 1 PLC, passed on 17 September 2024.

3. Litigation

The Issuer is not and has not been since its incorporation, 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 no such governmental, legal or arbitration proceedings are pending or threatened.

4. Payment information and post-issuance information

For as long as the Class A Notes are listed on the official list and are admitted to trading on the regulated market of Euronext Dublin, the Issuer will inform Euronext Dublin of the Class A Interest Amounts, the Interest Periods, the Class A Interest Rates, and, if relevant, the payments of principal on the Class A Notes, in each case in the manner described in the Conditions.

Payments and transfers of the Notes will be settled through Clearstream, Luxembourg and Euroclear, as described herein. The Notes have been accepted for clearing by Clearstream, Luxembourg and Euroclear.

The Seller, in its role as Servicer, will, on behalf of the Issuer, for as long as the Class A Notes or (if possible in accordance with the Bank of England eligibility criteria in force from time to time) any other Class of Notes otherwise satisfy the Bank of England eligibility criteria, make loan level data available in such a manner as required to comply with the Bank of England eligibility criteria and transparency criteria for asset backed securities (as set out in the Detailed Information Transparency for Asset-Backed Securities for Auto-loan ABS of 11 October 2019 as amended and applicable from time to time).

5. Material adverse change

There has been no material adverse change in the financial position or prospects of the Issuer since its incorporation.

6. Miscellaneous

Since the date of its incorporation the Issuer has not commenced operations and as at the date hereof, no statutory or non-statutory accounts in respect of any fiscal year of the Issuer have been prepared. The Issuer will not publish interim accounts. The current financial period of the Issuer will end on 31 March 2025.

7. Publication of documents

This Prospectus will be made available to the public by publication in electronic form on the website of Euronext Dublin https://live.euronext.com/) and the EuroABS Portal.

8. **Listing and admission to trading**

This Prospectus has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Regulation. Application has been made to Euronext Dublin for the Class A Notes to be admitted to the Official List of Euronext Dublin and to trading on its regulated market, subject only to the issue of the Global Note representing the Class A Notes. The issue of the Class A Notes will be cancelled if the related Global Notes are not issued. The estimated aggregate cost of the foregoing applications for admission to the Official List of Euronext Dublin and admission to trading on its regulated market is approximately EUR 10,740. It is expected that the Class A Notes will be admitted to trading on the Closing Date.

The Issuer has appointed Hogan Lovells (Ireland) LLP as Irish Listing Agent for Euronext Dublin. Prior to such listing of the Class A Notes, the constitutional documents of the Issuer and legal notices relating to the issue of the Class A 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. Hogan Lovells (Ireland) LLP is acting solely in its capacity as Irish Listing Agent for the Issuer in connection with the Class A Notes and is not itself seeking admission of the Class A Notes to the Official List of Euronext Dublin or to trading on its regulated market for the purposes of the Prospectus Regulation.

From the date of this Prospectus and including for so long as the Class A Notes are admitted to the Official List of Euronext Dublin and to trading on its regulated market, copies of the following documents may be inspected in physical form at the registered office of the Issuer during usual business hours on any weekday (public holidays excepted) and shall be made available in electronic form on the EuroABS Portal (https://www.euroabs.com/IH.aspx?d=22817):

(a) the articles of incorporation of the Issuer;

(b) the resolutions of the board of directors of the Issuer approving the issue of the Notes;

(c) the Monthly SR Investor Reports;

(d) all notices given to the Noteholders pursuant to the Conditions; and

(e) this Prospectus and all Transaction Documents referred to in this Prospectus.

For the avoidance of doubt, none of the websites and their contents form part of this Prospectus.

Furthermore, the Issuer undertakes to make available to the Noteholders on a quarterly basis until the Legal Maturity Date the EU Monthly Servicer Data Tape and the UK Monthly Servicer Data Tape and to make available the Liability Cash Flow Model either directly or indirectly through one or more entities who provide such cash flow models to investors generally.

9. **Post-issuance information and reporting**

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

10. **LEI**

The Issuer's Legal Entity Identifier (LEI) is 635400DRKOGESRBWTM52.

11. **ICSDs**

Euroclear Bank SA/NV
1 Boulevard du Roi Albert II
B-1210 Brussels
Belgium

Clearstream Banking S.A.
42 Avenue JF Kennedy
L-1885 Luxembourg

12. **Clearing codes**

	ISIN	Common Code
Class A Notes	XS2889379587	288937958
Class B Notes	XS2889380080	288938008

13. **Miscellaneous**

No website referred to herein forms part of this Prospectus.

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

GLOSSARY OF TERMS

"**AccessFlex Contract**" means an Underlying Agreement which is subject to the "Access Flex" terms, as specified by the Seller, which provide that:

(a) the Obligor, after making its third Monthly Payment, may take up to a maximum of 3 months of payment holidays, which for the avoidance of doubt need not be consecutive, (where the Obligor has provided prior advance notice before taking such payment holiday in accordance with the terms of the Underlying Agreement) during the term of the Underlying Agreement;

(b) each monthly payment holiday taken extends the number of monthly payment dates and extends the scheduled maturity date by the number of months corresponding to the period of the relevant payment holiday taken, whilst leaving the payment amounts under such Underlying Agreement unchanged; and

(c) the Obligor will not be permitted to take such payment holiday where any overdue Monthly Payments are outstanding at such time a payment holiday is requested by such Obligor in respect of the Underlying Agreement.

"**AccessFlex Contract Receivable**" means a Receivable which is subject to a payment holiday in accordance with an AccessFlex Contract (and for the avoidance of doubt excluding any Receivable which was subject to a payment holiday in accordance with an AccessFlex Contract but which is no longer subject to a payment holiday in accordance with an AccessFlex Contract). For the avoidance of doubt, such Receivable will not be considered a Defaulted Receivable or Delinquent Receivable;

"**Account Bank**" means Citibank, N.A., London Branch or any successor thereof or any other Person appointed as replacement Account Bank from time to time in accordance with the Bank Account Agreement.

"**Additional Account**" means any account opened in the name of the Issuer from time to time (whether a new account or a replacement or supplement for any existing Issuer Account) other than the Transaction Account, the Reserve Account and the Swap Collateral Account.

"**Additional Cut-Off Date**" means the last day of a Calculation Period elapsing prior to an Additional Purchase Date.

"**Additional Offer Date**" means the second Business Day prior to an Interest Payment Date.

"**Additional Purchase Date**" means an Interest Payment Date falling in the Revolving Period, when an additional purchase is made pursuant to Clause 2.1(b) (*Sale and Assignment of the Portfolio*) of the Receivables Sale and Purchase Agreement.

"**Additional Purchase Price**" means, in respect of an Additional Receivable, an amount equal to the Discounted Receivables Balance for such Additional Receivable as at the Additional Cut-Off Date.

"**Additional Receivables**" means the Receivables purchased by the Issuer from the Seller on any Additional Purchase Date in accordance with the Receivables Sale and Purchase Agreement.

"**Adverse Claim**" means any mortgage, charge, pledge, hypothecation, lien or other security interest or encumbrance or other right or claim under the laws of any jurisdiction, of or on any Person's assets or properties in favour of any other Person.

"**Affiliate**" means, in relation to any corporate entity, a holding company or subsidiary of such corporate entity or a subsidiary of the holding company of such corporate entity (the terms "holding company" and "subsidiary" having the meaning given to them by the Companies Act 2006).

"**Agency Agreement**" means the agency agreement entered into by, among others, the Issuer, the Seller, the Servicer, the Interest Determination Agent, the Paying Agent, the Registrar and the Note Trustee on or about the Closing Date.

"**Agent**" means the Paying Agent and/or the Registrar (as applicable).

"**Aggregate Discounted Receivables Balance**" means with respect to the Closing Date and, thereafter, any Additional Purchase Date, the aggregate Discounted Receivables Balance of all (or a specified portion of) Purchased Receivables as at such date (excluding any Defaulted Receivables).

"**Aggregate Outstanding Note Principal Amount**" means the aggregate of the Outstanding Note Principal Amount of a Class of Notes on an Interest Payment Date (taking into account the principal redemption on such Interest Payment Date).

"**Alternative Benchmark Rate**" has the meaning given to that term in Condition 12(b)(iii) (*Amendments and waiver*).

"**Ancillary Rights**" means, in relation to each Purchased Receivable, the ancillary rights associated with each Receivable other than ownership of the related Vehicle and other than any Excluded Amounts and shall include the following as the context requires:

(a) the right to demand, sue for, recover, receive and give receipts for all amounts due (whether or not from the relevant Obligor) under, relating to or in connection with the related Underlying Agreement;

(b) the benefit of all covenants and undertakings from the relevant Obligor and from any guarantor under, relating to or in connection with the related Underlying Agreement;

(c) the benefit of all causes of action against the relevant Obligor and any guarantor under, relating to or in connection with the related Underlying Agreement;

(d) the right to receive the Vehicle Sale Proceeds;

(e) the benefit of the Seller in any motor vehicle insurance policy for the Vehicle to which such Receivable is related and any proceeds thereunder paid to the Seller; and

(f) the benefit of any other rights, title, interests, powers or benefits of the Seller in relation to the related Underlying Agreement (other than title to the Vehicle), including any claims against a Dealer in respect of a Vehicle,

and for the purpose of this definition references to "**guarantees**" shall be deemed to include all other indemnities, security, collateral or other documents, agreements or arrangements whatsoever whereby any person (including, but without limitation, any Obligor) agrees to make any payment to the Seller in respect of that Obligor's obligations under the relevant Underlying Agreement or to provide any security therefor and "**guarantors**" shall be construed accordingly.

"**Applicable Benchmark Rate**" has the meaning given to that term in Condition 12(b)(iii) (*Amendments and waiver*).

"**Applicable Law**" means any law or regulation including, but not limited to: (a) any domestic or foreign statute or regulation; (b) any rule or practice of any Authority, stock exchange or self-

regulatory organisation with which each party is bound or accustomed to comply; and (c) any agreement entered into by the parties and any Authority or between any two or more Authorities.

"**Appointee**" means any attorney, manager, agent, delegate, nominee, custodian, Receiver, co-trustee or other person appointed by the Security Trustee or the Note Trustee under the Trust Deed or the Deed of Charge.

"**Assignation in Security**" means any assignation in security of the Issuer's interest in the Scottish Trust Property granted pursuant to the terms of the Deed of Charge and being substantially in the form set out in Schedule 3 (*Form of Assignation in Security*) of the Deed of Charge.

"**Authority**" means any competent regulatory, prosecuting, tax or governmental authority in any jurisdiction, domestic or foreign.

"**Available Receipts**" means, in respect of any Calculation Period and the immediately succeeding Interest Payment Date, an amount equal to the sum of (without double counting):

(a) the Collections received during such Calculation Period;

(b) interest received on any Issuer Account (other than any Swap Collateral Account) during such Calculation Period;

(c) amounts received by the Issuer under the Swap Agreement (other than any (1) Swap Termination Payment due to the Issuer (save to the extent such Swap Termination Payment is in excess of any Replacement Swap Premium due to a replacement swap provider), (2) Swap Collateral, (3) Swap Tax Credits or (4) Excess Swap Collateral)) during such Calculation Period;

(d) for so long as the Class A Notes remain outstanding, the Reserve Fund (excluding any amount recorded to the Commingling Reserve Ledger);

(e) on a Repurchase Date on which the Clean-Up Call is exercised, all amounts standing to the credit of the Transaction Account (excluding the balance on the Issuer Profit Ledger) on the date which is two Business Days prior to the Repurchase Date;

(f) upon the occurrence and continuance of a Servicer Termination Event if and only to the extent that the Servicer has, on the relevant Interest Payment Date, failed to transfer to the Issuer any Collections received by the Servicer during, or with respect to the Calculation Period ending on such Cut-Off Date or any previous Calculation Periods, and only to the extent necessary for the fulfilment on the relevant Interest Payment Date of the payment obligations of the Issuer (but excluding any fees and other amounts due to the Servicer under item (iii)(1) of the Pre-Acceleration Priority of Payments so long as no substitute Servicer is appointed in accordance with the Servicing Agreement), any amount recorded to the Commingling Reserve Ledger; and

(g) the balance standing to the credit of the Replenishment Ledger representing Excess Collections Amounts,

but, for the avoidance of doubt, excluding any Issuer Profit Amount retained by the Issuer on any previous Interest Payment Date, (without double counting) and any payments received by the Issuer in error which have been identified by the Servicer and communicated to the Cash Manager in accordance with the Servicing Agreement.

"**Back-Up Facilitator**" means CSC Capital Markets UK Limited.

"**Bank Account Agreement**" means the bank account agreement entered into by, among others, the Issuer, the Cash Manager, the Account Bank and the Security Trustee on or about the Closing Date.

"**Basic Terms Modification**" has the meaning given to it in Condition 12(a)(iv) (*Meetings of Noteholders*).

"**Benchmark Rate Modification**" has the meaning given to that term in Condition 12(b)(iii) (*Amendments and waiver*).

"**Benchmark Rate Modification Certificate**" has the meaning given to that term in Condition 12(b)(iii) (*Amendments and waiver*).

"**Benchmark Trigger Event**" has the meaning given to it in the Swap Agreement.

"Block Voting Instruction" has the meaning given to it in Schedule 3 (*Provisions for Meetings of the Noteholders*) to the Trust Deed.

"**Book-Entry Interests**" means the beneficial interests in the Global Notes.

"**Broker**" means any intermediary that has introduced the relevant Obligor to the Seller.

"**Business Day**" means a day (other than a Saturday or a Sunday) on which banks are generally open for business in London.

"**Calculation Agent**" means, in relation to the Swap Agreement, the Swap Provider, provided that if the Swap Provider is a Defaulting Party (as defined in the Swap Agreement), the Issuer may, by giving written notice to the Swap Provider, appoint a substitute Calculation Agent that is a leading, independent dealer in the interest rate derivatives market.

"**Calculation Date**" means in relation to each Calculation Period the fifth Business Day prior to the relevant Interest Payment Date.

"**Calculation Period**" means the monthly servicing and cash management reporting period from (and including) the first day of each calendar month to (but excluding) the first day of the following month or, in the case of the first Calculation Period, from (and including) 1 September 2024 to (and including) 30 September 2024.

"**Cash Management Agreement**" means the cash management agreement dated on or about the Closing Date between, among others, the Issuer, the Cash Manager, the Servicer, the Interest Determination Agent the Note Trustee and the Security Trustee.

"**Cash Manager**" means the person appointed as cash manager, any successor thereof or any other Person appointed as replacement cash manager from time to time in accordance with the Cash Management Agreement, which on the Closing Date is TFSUK.

"**Cash Manager Termination Event**" means any of:

(a) the Cash Manager fails to instruct a deposit or a payment when such instruction is required to be made by the Cash Manager under the Cash Management Agreement (subject to there being sufficient funds in the relevant Issuer Account for such purpose) and such failure remains unremedied for three Business Days (where capable of remedy) following the Cash Manager having actual knowledge of, or being notified in writing of, such failure;

(b) a default is made by the Cash Manager in the performance or observance of any of its other covenants and obligations under the Cash Management Agreement which, in the

opinion of the Security Trustee, is materially prejudicial to the interests of the Secured Creditors and such default continues unremedied for a period of 30 Business Days after the earlier of the Cash Manager becoming aware of such default (where capable of remedy) and receipt by the Cash Manager of written notice from the Issuer or the Security Trustee, as applicable, requiring the same to be remedied (where capable of remedy);

(c) it is or will become unlawful for the Cash Manager to perform or comply with any of its obligations under the Cash Management Agreement;

(d) the Cash Manager ceases or threatens to cease business;

(e) a Force Majeure Event continues in relation to the Cash Manager for more than 10 Business Days; or

(f) an Insolvency Event occurs in respect of the Cash Manager.

"**CCA**" means the Consumer Credit Act 1974, as amended from time to time.

"**Charged Documents**" means the Transaction Documents to which the Issuer is a party and all other contracts, documents, agreements and deeds to which it is, or may become, a party (other than the Deed of Charge, the Trust Deed, the Collection Account Declaration of Trust, any Scottish Declaration of Trust and any Assignation in Security).

"**Charged Property**" means the property subject to the security created by the Issuer in favour of the Security Trustee for it and the other Secured Creditors pursuant to the Deed of Charge and/or any Assignation in Security.

"**Class**" means the Class A Notes and/or the Class B Notes as the context may require.

"**Class A Interest Amount**" means on each Interest Payment Date, the amount of interest payable pursuant to Condition 4(e) (*Calculations*) in respect of the Class A Notes held by a Class A Noteholder on such Interest Payment Date.

"**Class A Interest Rate**" has the meaning given to it in Condition 4(c) (*Interest Rate*).

"**Class A Noteholders**" means the holders of the Class A Notes at the relevant time.

"**Class A Notes**" means the floating rate Class A Notes due October 2034 which are issued on the Closing Date in an initial Aggregate Outstanding Note Principal Amount of GBP 500,000,000.

"**Class B Interest Amount**" means on each Interest Payment Date, the amount of interest payable pursuant to Condition 4(e) (*Calculations*) in respect of the Class B Notes held by a Class B Noteholder on such Interest Payment Date.

"**Class B Interest Rate**" has the meaning given to it in Condition 4(c) (*Interest Rate*).

"**Class B Interest Shortfall**" has the meaning given to it in Condition 6(a) (*Deferral of interest and subordination*).

"**Class B Noteholders**" means the holders of the Class B Notes at the relevant time.

"**Class B Notes**" means the fixed rate Class B Notes due October 2034 which are issued on the Closing Date in an initial Aggregate Outstanding Note Principal Amount of GBP 157,895,000.

"**Class of Notes**" means each of the Class A Notes and/or the Class B Notes as the context requires.

"**Clean-Up Call**" means the Seller's right pursuant to the Receivables Sale and Purchase Agreement to repurchase all of the Purchased Receivables on any Interest Payment Date (a) following the Determination Date on which the Aggregate Discounted Receivables Balance of all Purchased Receivables is equal to or less than 10% of the Aggregate Discounted Receivables Balance of all Purchased Receivables as at the Initial Cut-Off Date or (b) on which the Class A Notes (including any interest accrued but unpaid thereon) are redeemed and repaid in full.

"**Clean-Up Call Conditions**" means, in relation to any exercise by the Seller of the Clean-Up Call, the following requirements:

(a) the Final Repurchase Price should be an amount as described in Condition 5(d)(i)(1) (*Clean-Up Call*); and

(b) the Seller shall have notified the Issuer of its intention to exercise the Clean-Up Call no later than on the Reporting Date immediately preceding the Interest Payment Date on which such repurchase will take place.

"**Clearing Systems**" means Clearstream Banking S.A., Euroclear Bank SA/NV, DTC and/or such other clearing agency, settlement system, or depository as may from time to time be used in connection with the safekeeping of, or transactions relating to, securities, and any nominee, clearing agency, or depository for any of them.

"**Clearstream, Luxembourg**" means the Clearstream clearance system for internationally traded securities operated by Clearstream Banking S.A., and any successor thereto.

"**Closing Date**" means 26 September 2024.

"**Co-Arranger**" means each of BofA Securities and MUFG Securities EMEA plc.

"**Code**" means the United States Internal Revenue Code of 1986, as amended from time to time and the Treasury regulations promulgated thereunder.

"**Collection Account Declaration of Trust**" means the declaration of trust to be dated on or about the Closing Date made by TFSUK in favour of the Issuer over the aggregate amount standing to the credit of the Seller Collection Accounts.

"**Collection Account Trust Property**" has the meaning given to it in Clause 1.3 (*Additional Definitions*) of the Collection Account Declaration of Trust.

"**Collections**" means, in respect of each Purchased Receivable, all amounts of cash received by the Servicer in respect of Purchased Receivables deriving from the related Underlying Agreement or Ancillary Rights from the Obligor or a third party, including (i) any amounts representing the Vehicle Sale Proceeds, (ii) any Recovery Collections and (iii) any Settlement Amount.

"**Common Depositary**" means the common depositary in respect of the Class A Notes and Class B Notes.

"**Commingling Reserve Excess Amount**" means, as of any relevant Reporting Date, the amount by which the amount credited to the Commingling Reserve Ledger exceeds the Commingling Reserve Required Amount.

"**Commingling Reserve Reduction Amount**" means, on any Interest Payment Date which occurs on or following (i) the occurrence of a Rating Agency Event or a Servicer Termination Event and while such Rating Agency Event or Servicer Termination Event (as applicable) is continuing; and (ii) the date on which the Servicer has elected to fund the Commingling Reserve Ledger in accordance with the Servicing Agreement, the product of

(a) the Aggregate Discounted Receivables Balance as of the relevant Cut-Off Date immediately preceding the relevant Interest Payment Date; and

(b) the amount, if positive, equal to (i) minus (ii) where:

(i) is the result of (A) Aggregate Discounted Receivables Balance as of the relevant Cut-Off Date immediately preceding the relevant Interest Payment Date minus the Outstanding Note Principal Amount of the Class A Notes on such Interest Payment Date plus the Reserve Fund standing to the credit of the Reserve Account on such Interest Payment Date, divided by (B) the Aggregate Discounted Receivables Balance as of the relevant Cut-Off Date immediately preceding the relevant Interest Payment Date; and

(ii) is the result of (A) the aggregate Discounted Receivables Balance as of the Initial Cut-Off Date minus the aggregate Outstanding Note Principal Amount of the Class A Notes on the Closing Date plus the Reserve Fund standing to the credit of the Reserve Account on the Closing Date, divided by (B) the Aggregate Discounted Receivables Balance as of the Initial Cut-Off Date,

provided that if (i) is equal to or less than (ii), the Commingling Reserve Reduction Amount shall be zero.

"**Commingling Reserve Required Amount**" means if:

(a) no Rating Agency Event or no Servicer Termination Event has occurred and is continuing, zero; or

(b) a Rating Agency Event or a Servicer Termination Event has occurred and while such Rating Agency Event or Servicer Termination Event (as applicable) is continuing and if and so long as the Servicer has elected to fund the Commingling Reserve Ledger in accordance with clause 4.3 (*Cash sweep and Commingling Reserve Ledger*) of the Servicing Agreement, an amount equal to the sum of:

(i) the Collections expected to be received (as calculated by the Servicer and for the avoidance of doubt based on the scheduled Instalments under the relevant Underlying Agreements) during the Calculation Period to which the relevant Interest Payment Date relates and the immediately following Calculation Period;

(ii) the product of the Aggregate Discounted Receivables Balance on the Cut-Off Date immediately preceding the relevant Interest Payment Date multiplied by 2.40 per cent., reduced by the Commingling Reserve Reduction Amount provided that such amount shall at all times be a positive amount or otherwise zero, and provided further that, after the occurrence of a Servicer Termination Event, such amount shall equal zero on the date on which the Issuer has determined that no Servicer Shortfall exists and no further Servicer Shortfalls are expected.

"**Commingling Reserve Ledger**" means a ledger on the Reserve Account for the purpose of recording the Commingling Reserve Required Amount.

"**Common Depositary**" means the common depositary in respect of the Class B Notes.

"**Common Safekeeper**" or "**CSK**" means the entity appointed by the ICSDs to provide safekeeping for the Notes in NSS form.

"**Compounded Daily SONIA**" has the meaning given to that term in Condition 4(d)(vi) (*Interest*).

"**Concentration Limits**" means the Concentration Limits set out in the Receivables Sale and Purchase Agreement applicable to all Purchased Receivables.

"**Conditions**" means the terms and conditions of the Notes (which terms and conditions are set out in this Prospectus).

"**Corporate Services Agreement**" means the corporate services agreement entered into by the Issuer, the Share Trustee, the Security Trustee and the Corporate Services Provider on or about the Closing Date under which the Issuer has appointed the Corporate Services Provider to perform certain corporate and administrative services to the Issuer.

"**Corporate Services Provider**" means CSC Capital Markets UK Limited, acting through its office at 10th Floor, 5 Churchill Place, London E14 5HU United Kingdom.

"**CRA15**" means the Consumer Rights Act 2015.

"**Credit and Collection Procedures**" means the origination, credit and collection procedures employed by the Seller from time to time, including in relation to the provision of Services as set out in the Servicing Agreement, as the same may from time to time be amended in accordance with the Transaction Documents.

"**Credit Support Annex**" means the credit support annex to the ISDA Master Agreement executed in accordance with the provisions of the Swap Agreement.

"**Cumulative Net Loss Ratio**" means on any Interest Payment Date an amount calculated in accordance with the following formula, expressed as a percentage:

$$X = Y / Z$$

where:

"X" means the Cumulative Net Loss Ratio;

"Y" means the Aggregate Discounted Receivables Balance of all Purchased Receivables that became Terminated Receivables in the period from the Closing Date and during any Calculation Period ending on or prior to the Calculation Date immediately prior to such Interest Payment Date *less* any realised Vehicle Sale Proceeds received with respect to such Terminated Receivable.

"Z" means the Aggregate Discounted Receivables Balance of all Purchased Receivables as at the Initial Cut-Off Date.

"**Cut-Off Date**" means the Initial Cut-Off Date and any Additional Cut-Off Date.

"**Current Receivable**" means as at the Cut-Off Date, a Receivable which is not overdue.

"**Damage Fees**" means an amount claimed from (and received from) the Obligor in respect of a Purchased Receivable arising under a PCP Agreement that relates to the condition of the Vehicle at the point at which the Vehicle is returned at the end of such PCP Agreement.

"**Data Protection Laws"** means any law, enactment, regulation or order concerning privacy and the processing of data relating to living persons including:

(a) the EU GDPR;

(b) the UK GDPR;

(c) the UK Data Protection Act 2018; and

(d) other EU Data Protection Laws,

(e) in each case to the extent applicable to the activities or obligations under or pursuant to the Transaction Documents, and each of the terms "**controller**", "**data subject**", "**personal data**" and "**personal data breach**", where used in respect of the performance of an activity or obligation, shall have the meaning given to that term under the relevant Data Protection Laws as at the time at which that activity or obligation was performed.

"**Day Count Fraction**" means in respect of an Interest Period, the actual number of days in such Interest Period divided by 365.

"**Dealer**" means any person from whom the Seller purchases a Vehicle to form the subject matter of an Underlying Agreement.

"**Dealer Contract**" means any contract between the Seller and any Dealer relating to the supply of a Vehicle.

"**Deed of Charge**" means the deed of charge dated on or about the Closing Date between, *inter alios*, the Issuer and the Security Trustee.

"**Defaulted Receivable**" means as at the Cut-Off Date, any Purchased Receivable:

(a) in respect of which a Regular Payment or any other payment is unpaid past its due date for more than 3 Monthly Payments from the date specified for payment under the related Underlying Agreement; or

(b) which has been identified by the Servicer or the Seller as uncollectable in accordance with the Credit and Collection Procedures.

"**Deferred Consideration**" means the deferred consideration payable to the Seller in respect of the Receivables sold to the Issuer, in accordance with the applicable Priority of Payments.

"**Definitive Notes**" means Notes in definitive registered form.

"**Delinquent Receivable**" means as at the Cut-Off Date, any Purchased Receivable (other than a Defaulted Receivable) which is overdue by more than 1 Monthly Payment but less than or equal to 3 Monthly Payments.

"**Delinquent Receivables Ratio**" means on any Interest Payment Date a fraction expressed as a percentage, the numerator of which is the rolling three month average of the aggregate Discounted Receivables Balance of the Delinquent Receivables calculated in respect of which all relevant Monthly Reports are available (or, where there are not at least three Monthly Reports, any previous periods for which Monthly Reports are available) and the denominator of which is the aggregate of the Aggregate Discounted Receivables Balance calculated in such Monthly Reports.

"**Determination Date**" means the last calendar day of each calendar month. The first Determination Date will be 31 August 2024.

"**Direct Debit**" means a written instruction of an Obligor authorising its bank to honour a request of TFSUK to debit a sum of money on specified dates from the account of the Obligor for credit to an account of TFSUK.

"**Direct Debiting Arrangements**" means the procedures adopted in accordance with the rules of the Association for Payment Clearing Services.

"**Discounted Receivables Balance**" means, in respect of any Receivable, the present value of all of the outstanding Monthly Payments, discounted on the Determination Date immediately prior to the Closing Date or, with regard to any Additional Receivables, to the relevant Additional Purchase Date, in each case at the Discount Rate.

"**Discount Rate**" means, as of any Determination Date with respect to any Receivable, the higher of (a) 7 per cent. or (b) the annualised payment rate referenced in the relevant Underlying Agreement.

"**Disputed Receivable**" means an Underlying Agreement, payment of which is being disputed in good faith by an Obligor.

"**Early Amortisation Event**" shall mean any of the following:

(a) the Cumulative Net Loss Ratio exceeds 2.00 per cent. on any Interest Payment Date;

(b) the occurrence of a Servicer Termination Event;

(c) the Delinquent Receivables Ratio exceeds 1.50 per cent.;

(d) the Excess Collection Amounts standing to the credit of the Replenishment Ledger on two consecutive Interest Payment Dates exceeds 10 per cent. of the Aggregate Discounted Receivables Balance as at the Closing Date;

(e) on any Determination Date, the sum of the Aggregate Discounted Receivables Balance and the Excess Collection Amounts standing to the credit of the Replenishment Ledger is less than the sum of the Aggregate Outstanding Note Principal Amount of the Class A Notes and the Class B Notes;

(f) the occurrence of an Insolvency Event with respect to TFSUK; or

(g) the amount standing to the credit of the Reserve Fund is less than the Reserve Fund Required Amount on any Interest Payment Date.

"**Early Settlement Regulations**" means the Consumer Credit (Early Settlement) Regulations 2004.

"**EC Treaty**" means the Treaty establishing the European Community (signed in Rome on 25 March, 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February, 1992), as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 November, 1997), as amended by the Treaty of Nice (signed in Nice on 26 February, 2001) and as amended by the Treaty of Lisbon (signed in Lisbon on 13 December 2007 and in force since 1 December 2009) and as amended from time to time.

"**Eligibility Criteria**" means the eligibility criteria set out in the Receivables Sale and Purchase Agreement.

"**Eligible Persons**" has the meaning given to it in the Trust Deed.

"**Eligible Receivable**" means a Receivable that satisfies the Eligibility Criteria.

"**Eligible Swap Provider**" means with respect to the Swap Provider or any guarantor of the Swap Provider, any entity:

(a) in respect of the S&P Criteria (i) which has at least the Subsequent S&P Required Rating, or (ii) whose present and future obligations to the Issuer under the Swap Agreement (or any new master agreement entered into as a result of a transfer in accordance with the

Swap Agreement), are guaranteed by a S&P Eligible Guarantor that has at least the Subsequent S&P Required Rating; and

(b) in respect of Fitch, (i) whose Long-Term Fitch Rating or short-term issuer default rating is rated not less than the corresponding Unsupported Minimum Counterparty Rating or (ii) whose obligations under this Agreement are guaranteed by an entity whose Long-Term Fitch Rating or short-term issuer default rating is rated not less than the corresponding Unsupported Minimum Counterparty Rating.

"**Encumbrance**" means any mortgage, sub-mortgage, security assignment or assignation, standard security, charge, sub-charge, pledge, lien, right of set-off or other encumbrance or security interest of any kind, however created or arising, including anything analogous to any of the foregoing under the laws of any jurisdiction.

"**ESMA**" means the European Securities Markets Authority or any successor authority.

"**EU Article 7 ITS**" means the Commission Implementing Regulation (EU) 2020/1225 (the "**2020/1225 ITS**") including any relevant guidance and policy statements relating to the application of the 2020/1225 ITS published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission;

"**EU Article 7 RTS**" means the Commission Delegated Regulation (EU) 2020/1224 (the "**2020/1224 RTS**") including any relevant guidance and policy statements relating to the application of the 2020/1224 RTS published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission;

"**EU Article 7 Technical Standards**" means the EU Article 7 RTS and the EU Article 7 ITS;

"**EU Benchmark Regulation**" means the Benchmark Regulation (Regulation (EU) 2016/1011).

"**EU CRA Regulation**" means Regulation (EC) No 1060/2009 of the European Parliament on credit rating agencies, as amended.

"**EU CRR**" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, amending Regulation (EU) No 648/2012 as supplemented by Commission Delegated Regulation (EU) No 625/2014.

"**EU Data Protection Laws**" means any law, enactment, regulation or order transposing, implementing, adopting, supplementing or derogating from, the EU GDPR and the EU Directive 2002/58/EC in each Member State.

"**EU EMIR**" means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, known as the European Market Infrastructure Regulation, as amended by Regulation (EU) 2019/834 of the European Parliament and of the Council dated 20 May 2019.

"**EU GDPR**" means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

"**EU Insolvency Regulation**" means Regulation (EU) No 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast).

"**EU Market Abuse Regulation**" means Regulation EU 596/2014.

"**EU Retention Requirements**" means the retention by the Seller, on an ongoing basis as an originator within the meaning of the EU Securitisation Regulation, of a material net economic interest of not less than 5 per cent. in the securitisation, as determined in accordance with Article 6(3)(d) of the EU Securitisation Regulation as though Article 6 of the EU Securitisation Regulation applied to the transaction.

"**EU Securitisation Regulation**" means Regulation (EU) No 2017/2402 dated 12 December 2017 and any relevant regulatory and/or implementing technical standards adopted by the European Commission in relation thereto, any relevant regulatory and/or implementing technical standards applicable in relation thereto pursuant to any transitional arrangements made pursuant to the EU Securitisation Regulation, and in each case, any relevant guidance published by the European Banking Authority, the European Securities and Markets Authority (or, in either case, any predecessor authority) and/or the European Commission.

"**EU SR Monthly Investor Report**" means the investor report in respect of the Calculation Period immediately preceding each Interest Payment Date as then required by and in accordance with Article 7(1)(e) of the EU Securitisation Regulation.

"**EUR**" or "**Euro**" means the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the EC Treaty.

"**EuroABS**" means EuroABS Limited.

"**EuroABS Portal**" means (as the case may be):

(a) the website of EuroABS at https://www.euroabs.com/IH.aspx?d=22817, being a website that conforms with the requirements set out in Article 7(2) of the UK Securitisation Regulation, and

(b) the website of EuroABS at https://www.euroabs.com/IH.aspx?d=22817, being a website that conforms with the requirements set out in Article 7(2) of the EU Securitisation Regulation,

or in each case such other website as may be notified by the TFSUK to the Issuer, the Security Trustee, each Rating Agency and the Noteholders from time to time.

"**Euroclear**" means Euroclear Bank SA/NV as operator of the Euroclear System and any successor thereto.

"**Euronext Dublin**" means the Irish Stock Exchange plc trading as Euronext Dublin.

"**Eurosystem**" comprises the European Central Bank and the national central banks of those countries that have adopted the euro.

"**EUWA**" means the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020), as amended, varied, superseded or substituted from time to time.

"**Event of Default**" has the meaning given to it in Condition 10 (*Events of Default*) of the Notes.

"**Excess Collections Amount**" means, on any Interest Payment Date during the Revolving Period, the amount, as calculated on the immediately preceding Calculation Date, by which the Required Replenishment Amount exceeds any Additional Purchase Price to be disbursed by the Issuer on such Interest Payment Date.

"**Excess Mileage**" means an amount claimed from (and received from) the Obligor in respect of a Purchased Receivable arising from a PCP Agreement that relates to a higher number of miles

than originally contracted being completed at the point at which the Vehicle is returned at the end of such PCP Agreement.

"**Excess Recoveries Amount**" means, in respect of a Purchased Receivable, an amount equal to any amounts received by the Issuer which are in excess of the aggregate amounts payable by the relevant Obligor in respect of such Purchased Receivables (including related fees and costs associated with any recoveries) either as a result of any indemnity or other payment amounts received from Dealers, Insurers or other third parties or following a Receivable becoming a Defaulted Receivable (including, but not limited to, amounts deriving from Vehicle Sale Proceeds).

"**Excess Swap Collateral**" means, in relation to the Swap Agreement, an amount equal to the value of the Swap Collateral (or the applicable part thereof) provided by a Swap Provider to the Issuer which is in excess of that Swap Provider's liability under the Swap Agreement as at the date of termination of all transactions under the Swap Agreement or which it is otherwise entitled to have returned to it under the terms of the Swap Agreement.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

"**Exchange Event**" means:

(a) any relevant Clearing System is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(b) as a result of any amendment to, or change in (A) the laws or regulations of the United Kingdom (or of any political sub-division thereof) or of any Tax Authority therein or thereof or (B) the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or the Paying Agent is or will be required to make a Tax Deduction from any payment in respect of the Notes which would not be required were the Notes in definitive form.

"**Excluded Amounts**" means Excess Mileage, Damage Fees and any repossession fees, in each case, including VAT.

"**Extraordinary Resolution**" means, in respect of the holders of any Class of Notes:

(a) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of at least 75% of the Eligible Persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of at least 75% of the votes cast on such poll;

(b) a resolution in writing signed by or on behalf of the Noteholders of at least 75% in aggregate Outstanding Note Principal Amount of the Notes, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders; or

(c) consent given by way of electronic consents communicated through the electronic communications systems of the relevant Clearing System(s) to the Paying Agent or another specified agent and/or the Note Trustee in accordance with the operating rules and procedures of the relevant Clearing System(s) by or on behalf of the Noteholders of not less than 75% in aggregate Outstanding Note Principal Amount of the relevant Class of Notes.

"**FATCA**" means:

(a) sections 1471 to 1474 of the Code or associated regulations ("**US FATCA**");

(b) any inter-governmental agreement between the United States and any other jurisdiction entered into in connection with US FATCA (an "**IGA**");

(c) any treaty, law, regulation or official guidance enacted, issued or amended in any jurisdiction which facilitates the implementation of US FATCA or an IGA ("**Implementing Law**"); and

(d) any agreement entered into with the US Internal Revenue Service, the US government or any governmental or Tax Authority in any other jurisdiction in connection with US FATCA, an IGA or any Implementing Law.

"**FATCA Deduction**" means a deduction or withholding from a payment under a Transaction Document required by FATCA.

"**FCA**" means the Financial Conduct Authority of the United Kingdom or any regulatory authority that may succeed it as a United Kingdom regulator.

"**FCA Handbook**" means the handbook of rules promulgated by the FCA under FSMA as amended or replaced from time to time.

"**Final Class A Interest Payment Date**" means the Interest Payment Date on which, following the application of the Pre-Acceleration Priority of Payments, the Class A Notes are redeemed in full.

"**Final Class B Interest Payment Date**" means the Interest Payment Date on which, following the application of the Pre-Acceleration Priority of Payments, the Class B Notes are redeemed in full.

"**Final Interest Payment Date**" means the Final Class A Interest Payment Date (in respect of the Class A Notes) and the Final Class B Interest Payment Date (in respect of the Class B Notes).

"**Final Receivables**" means on any Interest Payment Date, all Purchased Receivables then owned by the Issuer.

"**Final Redemption Date**" means the Legal Maturity Date or, if earlier, the date on which the Outstanding Note Principal Amount has been repaid in full by the Issuer.

"**Final Repurchase Price**" means, in respect of the Final Receivables, an amount equal to the amount specified in Condition 5(d) (*Clean-up Call*).

"**Fitch**" means Fitch Ratings Limited or its affiliate and its successors.

"**Fixed Day Count Fraction**" means the "Fixed Amount Day Count Fraction" (as defined in the Swap Agreement) that is applied to the calculation of "Fixed Amounts" as specified in the confirmation relating to the Swap Transaction under the Swap Agreement.

"**Floating Day Count Fraction**" means the "Floating Amount Day Count Fraction" (as defined in the Swap Agreement) that is applied to the calculation of "Floating Amounts" as specified in the confirmation relating to the Swap Transaction under the Swap Agreement.

"**Force Majeure Event**" means any event (including but not limited to an act of God, fire, epidemic, explosion, floods, earthquakes, typhoons; riot, civil commotion or unrest, insurrection, terrorism, war, strikes or lockouts; nationalisation, expropriation, redenomination or other related governmental actions; Applicable Law of an Authority or supranational body; regulation of the banking or securities industry including changes in market rules, currency restrictions, devaluations or fluctuations; market conditions affecting the execution or settlement of transactions or the value of assets; and breakdown, failure or malfunction of any

telecommunications, computer services or systems, or other cause) beyond the control of any Party which restricts or prohibits the performance of the obligations of such Party contemplated by the Transaction Documents.

"**FSMA**" means the Financial Services and Markets Act 2000.

"**GBP**" or "**Sterling**" means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

"**Global Note**" means each of the global notes, in fully registered form, without interest coupons attached, which will represent the Class A Notes and the Class B Notes on issue substantially in the forms set out in the Trust Deed.

"**Hire-Purchase Agreement**" means fixed interest rate, fully amortising level payment hire agreements with an option to purchase entered into by the Seller and the Obligor which are secured by retention of the title over a Vehicle.

"**HMRC**" means His Majesty's Revenue & Customs.

"**HPI Car Register**" means the register operated by HPI Limited that records interests in vehicles.

"**ICSD**" or "**International Central Securities Depositary**" means Clearstream, Luxembourg or Euroclear, and "**ICSDs**" means each of Clearstream, Luxembourg and Euroclear collectively.

"**Incentive Fee**" means, in respect of a Vehicle, an incentive fee payable by the Issuer to the Seller pursuant to the Receivables Sale and Purchase Agreement equal to the aggregate of (a) the reasonable costs and expenses of the Seller's Insolvency Official incurred in relation to the sale of such Vehicle and (b) 1% of the realisation proceeds (net of associated costs, charges, fees and expenses) in respect of such Vehicle.

"**Initial Cut-Off Date**" means 31 August 2024.

"**Initial Purchase Price**" means, in respect of an Initial Receivable, an amount equal to the Discounted Receivables Balance for such Initial Receivable as at the Initial Cut-Off Date.

"**Initial Receivables**" means the Receivables purchased by the Issuer from the Seller on the Closing Date in accordance with the Receivables Sale and Purchase Agreement.

"**Insolvency Event**" means, with respect to any Person, the occurrence of any of the following:

(a) such Person shall commence any case, proceeding or other action, or present a petition or make an application under any applicable insolvency law:

  (i) relating to bankruptcy, sequestration, insolvency, court protection, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganisation, arrangement, adjustment, winding-up, liquidation, dissolution, court protection, composition, declaration or other similar relief with respect to it or its debts; or

  (ii) seeking the appointment of a liquidator, receiver, administrative receiver, examiner, custodian, administrator, trustee in sequestration, judicial factor or other similar official for it or for all or any substantial part of its assets;

(b) there shall be commenced, presented or made against such Person any case, proceeding or other action referred to in (a) above which is not dismissed by the relevant court, tribunal or authority within twenty-one (21) calendar days of its commencement;

(c) a warrant of attachment, diligence, distress, execution, sequestration or other process being levied or enforced on or against the whole or any substantial part of its property which is not discharged within twenty-one (21) days of the date on which it is levied or enforced; or

(d) such Person ceasing or threatening to cease to carry on its business or stopping payment or threatening to stop payment of its debts or being, being deemed to be or becoming unable to pay its debts within the meaning of section 123(1)(a) or (b) of the Insolvency Act 1986 as that section may be amended, (or as the case may be, any analogous provision in any applicable jurisdiction) or otherwise unable to pay its debts as they fall due or the value of its assets falling to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or such Person otherwise becoming insolvent.

"**Insolvency Official**" means, in respect of any company, a liquidator, provisional liquidator, administrator (whether appointed by the court or otherwise), administrative receiver, receiver (including any receiver under the Law of Property Act 1925), receiver or manager, nominee, supervisor, trustee in bankruptcy, conservator, guardian, monitor or other similar official in respect of such company or in respect of all (or substantially all) of the company's assets or in respect of any arrangement or composition with creditors or any equivalent or analogous officer under the law of any jurisdiction.

"**Instructing Party**" means:

(a) the Note Trustee, so long as there are any Notes outstanding; or

(b) all of the other Secured Creditors, once there are no Notes outstanding.

"**Insurance Distribution Directive**" means Directive (EU) 2016/97.

"**Insurers**" means the providers of Obligor Insurances.

"**Interest Determination Agent**" means TFSUK, any successor thereof or any other Person appointed as replacement interest determination agent from time to time in accordance with the Cash Management Agreement.

"**Interest Determination Date**" means the fifth Business Day before the Interest Payment Date for which the relevant Interest Rate and Interest Amount will apply.

"**Interest Payment Date**" means (in respect of the first Interest Payment Date) 23 October 2024, and thereafter the 23rd day of each calendar month, as adjusted by the Modified Following Business Day Convention. Unless redeemed earlier, the last Interest Payment Date will be the Legal Maturity Date.

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

"**Interest Rate**" means the Class A Interest Rate or the Class B Interest Rate as applicable.

"**Investment Company Act**" means the U.S. Investment Company Act of 1940, as amended from time to time.

"**Irish Listing Agent**" means Hogan Lovells (Ireland) LLP.

"**Irrecoverable VAT**" means any amount paid in respect of VAT by a party to a Transaction Document (for the purposes of this definition, a "**Relevant Party**") or any amount of VAT accounted for under the reverse charge procedure by such Relevant Party or the representative member of any VAT group of which it is a member, in each case, to the extent that the Relevant Party does not or will not receive and retain a credit or repayment of such VAT as input tax (as that expression is defined in Section 24(1) of the VATA) for the prescribed accounting period (as that expression is used in Section 25(1) of the VATA) to which such input tax relates subject to that Relevant Party or representative member using reasonable endeavours to recover such input tax.

"**ISDA Master Agreement**" means the 2002 ISDA Master Agreement (including the schedule and the Credit Support Annex thereto) dated on or about the Closing Date and made between the Issuer and the Swap Provider.

"**Issuer**" means Koromo UK 1 PLC (company number 15852641), whose registered office is at 10th Floor, 5 Churchill Place, London, E14 5HU, as issuer of the Notes.

"**Issuer Accounts**" means the Reserve Account (including the Commingling Reserve Ledger), the Swap Collateral Account and the Transaction Account (including the Issuer Profit Ledger and the Replenishment Ledger) of the Issuer opened on or before the Closing Date and any Additional Account opened in accordance with the Bank Account Agreement, in each case with the Account Bank.

"**Issuer ICSDs Agreement**" means the Issuer ICSDs agreement entered into by the Issuer and the ICSDs before any Class A Notes in NSS form will be accepted by the ICSDs.

"**Issuer Power of Attorney**" means the security power of attorney dated on or about the Closing Date granted by the Issuer in favour of the Security Trustee in, or substantially in, the form set out in the Deed of Charge.

"**Issuer Profit Amount**" means, subject to and in accordance with the relevant Priority of Payments, a profit for the Issuer of £83.34 payable on each Interest Payment Date (£1,000 per annum) from which the Issuer will discharge its corporate income or corporation tax liability (if any).

"**Issuer Profit Ledger**" means a retained profit ledger of the Transaction Account of the Issuer, opened on or before the Closing Date with the Account Bank.

"**ITA**" or "**ITA 2007**" means the Income Tax Act 2007.

"**Joint Lead Manager"** means each of BofA Securities and MUFG Securities EMEA plc.

"**Ledgers**" has the meaning given to it in the Cash Management Agreement.

"**Legal Maturity Date**" means the Interest Payment Date falling in October 2034, subject to the Modified Following Business Day Convention.

"**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 (other than Taxes in respect of net income, profit or gains and any VAT which is not Irrecoverable VAT) and penalties incurred by that person, together with any Irrecoverable VAT or similar Tax charged or chargeable in respect of any of the sums referred to in this definition.

"**Long-Term Fitch Rating**" means, in respect of an entity, the derivative counterparty rating assigned to such entity by Fitch or, if a derivative counterparty has not been assigned to such entity by Fitch, the long-term issuer default rating assigned to such entity by Fitch.

"**Loss**" means, in respect of any Person, any loss, liability, cost, expense, claim, action, suit, judgment, and out-of-pocket costs and expenses (including, without limitation, fees and expenses of any professional advisor to such Person) which such Person may have incurred or which may be made against such Person and any reasonable costs of investigation and defence.

"**Master Definitions Schedule**" means the master definitions schedule dated on or about the Closing Date between, *inter alios*, the Issuer, the Seller, the Servicer, the Subordinated Lender, the Note Trustee, the Paying Agent, the Interest Determination Agent, the Account Bank, the Cash Manager, the Registrar, the Corporate Services Provider.

"**Material Adverse Effect**" means:

(a) with respect to any person or entity, a material adverse effect on:

(i) the consolidated business, assets or financial condition or prospects of such person or entity to the extent it relates directly or indirectly to the Receivables (including without limitation, to the origination or servicing of Receivables);

(ii) the ability of such person or entity to perform its obligations under any Transaction Document to which it is a party or on any of the rights or remedies of any other party to such Transaction Document; or

(iii) the validity or enforceability of any Transaction Document; or

(b) with respect to the Portfolio (and without prejudice to paragraph (a) of this definition), a material adverse effect on the interests of the Issuer or the Security Trustee in respect of all the Receivables in the Portfolio as a whole, or on the ability of the Issuer (or the Servicer on the Issuer's behalf) to collect amounts due on all the Receivables in the Portfolio as a whole or on the ability of the Security Trustee to enforce the Security.

"**Member State**" means, as the context may require, a member state of the European Union or of the European Economic Area.

"**Modification**" has the meaning given to that term in Condition 12(b)(ii) (*Amendments and waiver*).

"**Modification Certificate**" has the meaning given to that term in Condition 12(b)(ii) (*Amendments and waiver*).

"**Modification Noteholder Notice**" has the meaning given to that term in Condition 12(b)(iv)(2) (*Amendments and waiver*).

"**Modification Record Date**" has the meaning given to that term in Condition 12(b)(iv)(2) (*Amendments and waiver*).

"**Modified Following Business Day Convention**" means that if any due date specified in a Transaction Document for performing a certain task (in particular, payments of any amounts) is not a Business Day, such task shall be performed (a payment shall be made) on the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such task shall be performed on the immediately preceding Business Day.

"**Monthly Investor Report**" means the report so named prepared by the Cash Manager in accordance with the Cash Management Agreement.

"**Monthly Payment**" means each monthly payment due from an Obligor under the Underlying Agreement to which such Obligor is a party (less any Excluded Amounts).

"**Monthly Report**" means the monthly servicer report to be prepared by the Servicer and sent to the Issuer, the Cash Manager, the Rating Agencies and the Security Trustee on or prior to each Reporting Date, which includes (among other things) the information on the performance of the Portfolio in relation to the Calculation Period immediately preceding the Reporting Date in accordance with the Servicing Agreement, such Monthly Report to be substantially in the form as described in clause 5.2 (*Monthly Report*) of the Servicing Agreement.

"**Monthly SR Investor Report**" means the EU SR Monthly Investor Report and/or the UK SR Monthly Investor Report (as the context requires).

"**Most Senior Class of Notes**" means, at any time:

(a) the Class A Notes; and

(b) if no Class A Notes are then outstanding, the Class B Notes.

"**Non-Compliant Receivable**" means each Purchased Receivable in respect of which any Seller Receivables Warranty proves to have been incorrect on the date on which the relevant Seller Receivables Warranty is given and remains incorrect, where such breach materially and adversely affects the interests of the Issuer in any Purchased Receivable, and, if applicable, the relevant breach cannot be remedied, or the relevant Purchased Receivable never existed or has ceased to exist or where a Non-Permitted Variation has been made in respect of the relevant Purchased Receivable.

"**Non-Defaulted Receivables Losses**" means the sum of all losses incurred in respect of any Purchased Receivable other than those losses incurred as a result of a Purchased Receivable being a Defaulted Receivable as determined pursuant to the Credit and Collection Procedures.

"**Non-Permitted Variation**" means, in respect of any Underlying Agreement:

(a) any Purchased Receivable, payable under such Underlying Agreement, is reduced or negatively affected due to any early termination of the relevant Underlying Agreement agreed upon by the parties thereto other than in accordance with the requirements of the CCA or CONC; or

(b) the Purchased Receivable, payable under such Underlying Agreement, is materially reduced or materially affected due to any material modification and/or material reduction to the cash flow or payment plan of the relevant Underlying Agreement (other than: (i) any rescheduling of any instalments which the Servicer is obligated to make pursuant to the CCA or CONC; or (ii) any modifications required in respect of any Non-Defaulted Receivables Losses incurred in respect of any Purchased Receivable; or (iii) any modifications made following an agreed change to the mileage limit applicable to the Underlying Agreement to the extent this does not result in a change to the balloon payment in relation to an Underlying Agreement),

which shall not, for the avoidance of doubt, include any action taken with respect to the Servicer's arrears management process in accordance with its Credit and Collection Procedures or in the case of any AccessFlex Receivable, any adjustment to the contractual term of such Purchased Receivable following an election by the Obligor which is made under and in accordance with the terms of the Underlying Agreement.

"**Note Acceleration Notice**" means the written notice served by the Note Trustee on the Issuer upon the occurrence of an Event of Default which is continuing, with a copy to the Security Trustee, the Account Bank, the Seller, the Servicer, the Cash Manager and the Paying Agent in accordance with the Trust Deed.

"**Note Rate Maintenance Adjustment**" has the meaning given to that term in Condition 12(b)(iv)(2)(E) (*Amendments and waiver*).

"**Note Trustee**" means CSC Trustees Limited, including its successors and assigns and any other person or persons from time to time acting as trustee under the Trust Deed.

"**Noteholder**" or "**Holder**" means the person in whose name such Note is registered at that time in the Register (including, for the avoidance of doubt, in the case where any of the Notes are subject to a tender offer) or, in the case of a joint holding, the first named person; provided that, so long as any of the Notes are represented by a Global Note, the term "**Noteholder**" or "**Holder**" will include the persons for the time being set out in the records of Euroclear and/or Clearstream, Luxembourg, as the holders of a particular principal amount of such Notes in units of £1,000 principal amount of Notes for all purposes other than in respect of the payment of interest and principal on such Notes, the right to which will be vested as against the Issuer solely in the Holder of each Global Note in accordance with and subject to its terms.

"**Notes**" means collectively the Class A Notes and the Class B Notes.

"**NSS**" means the new safekeeping structure applicable to debt securities in global registered form recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations since 1 October 2010.

"**Obligor**(**s**)" means, in respect of a Purchased Receivable, a Person or Persons (including consumers and businesses) obliged directly or indirectly to make payments in respect of such Receivable, including any person who has guaranteed the obligations in respect of such Receivable but excluding (for the avoidance of doubt) any Insurer.

"**Obligor Insurance**" means the insurance taken out by an Obligor in respect of a Vehicle as required by the terms of the related Underlying Agreement.

"**Observation Period**" means the period from and including the date falling five Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Closing Date) and ending on, but excluding, the date falling five Business Days prior to the Interest Payment Date for such Interest Period (or, if applicable, the date falling five Business Days prior to any other date on which a payment of interest is to be made in respect of the Notes).

"**Ordinary Resolution**" means, in respect of the holders of any Class of Notes:

(a) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of at least 50% of the Eligible Persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of at least 50% of the votes cast on such poll;

(b) a resolution in writing signed by or on behalf of the Noteholders of at least 50% in aggregate Outstanding Note Principal Amount of the Notes, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders; or

(c) consent given by way of electronic consents communicated through the electronic communications systems of the relevant Clearing System(s) to the Paying Agent or another specified agent and/or the Note Trustee in accordance with the operating rules and procedures of the relevant Clearing System(s) by or on behalf of the Noteholders of not less than 50% in aggregate Outstanding Note Principal Amount of the relevant Class of Notes.

"**Outstanding**" means, for any Class, all the Notes of that Class issued other than:

(a) those which have been redeemed in full in accordance with their Conditions;

(b) those in respect of which the due date for redemption has occurred in accordance with their Conditions and the redemption moneys and interest accrued thereon to the due date of such redemption and any interest payable after such date have been paid to the Note Trustee or to the Paying Agent in the manner provided in the Agency Agreement and remain available for payment against presentation and surrender of the relevant Notes;

(c) those in respect of which claims have become void under their Conditions;

(d) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued under their Conditions;

(e) (for the purpose only of ascertaining the amount of a Class that is outstanding and without prejudice to their status for any other purpose) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued under their Conditions; and

(f) any Global Note to the extent that it has been exchanged for the related Definitive Notes in each case under their respective provisions,

provided that for each of the following purposes, namely:

(i) the determination of how many of which Notes of a Class are for the time being outstanding for the purposes of any provisions of their Conditions and the Trust Deed requiring calculation of the proportion of Noteholders of such Class requesting or directing the Note Trustee to enforce the security for such Class, or the provisions for meetings of the Noteholders of such Class set out in the Trust Deed;

(ii) any discretion, power or authority which the Note Trustee is required or permitted, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders of such Class or any of them; and

(iii) the determination by the Note Trustee whether, in its opinion, any event, circumstance, matter or thing is or would be materially prejudicial to the interests of the Noteholders or any of them,

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

"**Outstanding Note Principal Amount**" means with respect to any Interest Payment Date, the principal amount of any Note (rounded, if necessary, to the nearest GBP 0.01 with GBP 0.005 being rounded upwards) equal to:

(a) the initial principal amount of such Note (as at the Closing Date), reduced by

(b) all amounts paid in respect of principal on such Note prior to or on such Interest Payment Date.

"**Paying Agent**" means Citibank, N.A., London Branch, any successor thereof or any other Person appointed as replacement paying agent from time to time in accordance with the Agency Agreement.

"**PCP Agreements**" means any Underlying Agreement entered into by the Seller providing for the hire with optional purchase of a Vehicle under the terms of which (i) the final payment may be made by the Obligor to acquire the legal title of the Vehicle, and (ii) the related Obligor has a contractual right (in addition to the right to return under applicable law through Voluntary Termination) to return the Vehicle financed under such Underlying Agreement in lieu of making such final payment.

"**PCP Residual Value Amount**" means, with respect to any Underlying Agreement which is a PCP Agreement, the Receivable representing the final payment under such Underlying Agreement representing the contractually agreed guaranteed future value (calculated by the Seller at origination taking into account the residual value ascribed by the Seller to the Vehicle financed pursuant to such PCP Agreement), as discounted on the relevant date at the Discount Rate;

"**Perfection Event**" means the occurrence of any of the following events:

(a) the Seller being required to perfect the Issuer's legal title to the Purchased Receivables (or procure the perfection of the Issuer's legal title to the Purchased Receivables) by an order of a court of competent jurisdiction or by any regulatory authority with which the Seller is required to comply or any organisation with whose instructions it is customary for the Seller to comply;

(b) it becoming necessary by law to perfect the Issuer's legal title to the Purchased Receivables (or procure the perfection of the Issuer's legal title to the Purchased Receivables);

(c) unless otherwise agreed by the Security Trustee, the occurrence of a Servicer Termination Event;

(d) all or any part, whose aggregate value exceeds 10 (ten) per cent., of the value of any property, business, undertakings, assets or revenues of TFSUK having been attached as a result of any distress, execution or diligence being levied or any encumbrance taking possession or similar attachment and such attachment has not been lifted within 30 days;

(e) TFSUK fails to repurchase a Non-Compliant Receivable having become obliged to do so pursuant to the Receivables Sale and Purchase Agreement; and

(f) the occurrence of an Insolvency Event in respect of the Seller.

"**Perfection Event Notice**" means in respect of a Purchased Receivable a notice sent to the Obligors of the Purchased Receivable stating that such Purchased Receivable has been assigned by the Seller to the Issuer pursuant to the Receivables Sale and Purchase Agreement and instructing the Obligors to make payments to the Transaction Account or any other account compliant with the Transaction Documents and shall be in a form substantially as set out in Schedule 8 (*Perfection Event Notice*) to the Receivables Sale and Purchase Agreement.

"**Performance Period**" means the sixty (60) calendar day period following a Rating Agency Event or a Servicer Termination Event.

"**Permitted Variation**" means any Variation which is made in accordance with the terms of the relevant Underlying Agreement and the Credit and Collection Procedures and which is not a Non-Permitted Variation.

"**Person**" means an individual, partnership, corporation (including a business trust), unincorporated association, trust, joint stock company, limited liability company, joint venture or other entity, or a government or political subdivision, agency or instrumentality thereof.

"**Portfolio**" means, at any time, all Purchased Receivables and all other assets and rights relating to the related Underlying Agreements purported to be transferred or granted to the Issuer pursuant to the Receivables Sale and Purchase Agreement on the Closing Date and on any Additional Purchase Date.

"**Post-Acceleration Priority of Payments**" means the priority of payments set out in Condition 2(f) (*Post-Acceleration Priority of Payments*).

"**Potential Event of Default**" means an event or circumstance that will with the giving of notice, lapse of time, making of a determination and/or a combination thereof become an Event of Default.

"**PRA**" means the Prudential Regulation Authority of the United Kingdom or any regulatory authority that may succeed it as a United Kingdom regulator.

"**Pre-Acceleration Priority of Payments**" means the priority of payments set out in Condition 2(d) (*Pre-Acceleration Priority of Payments*).

"**Priority of Payments**" means either the Pre-Acceleration Priority of Payments or the Post-Acceleration Priority of Payments (as applicable).

"**Prospectus**" means this prospectus.

"**Prospectus Regulation**" means Regulation (EU) 2017/1129.

"**Purchase Date**" means the Closing Date and each Additional Purchase Date.

"**Purchase Price"** means, in respect of a Receivable, the sum of:

(a) its Initial Purchase Price or the Additional Purchase Price (as applicable); and

(b) the relevant Deferred Consideration.

"**Purchased Receivable Records**" means:

(a) all agreements, files, microfiles, correspondence, notes of dealing and other documents, books, books of account, registers, records and other information in each case, held in electronic format; and

(b) all computer tapes and discs, computer programs, data processing software and related intellectual property rights,

in each case relating to the Purchased Receivables and/or the related Obligors and by or under the control and disposition of the Servicer or the Seller, as applicable.

"**Purchased Receivables**" means the Initial Receivables and the Additional Receivables (together with any Ancillary Rights) purchased (or purported to be purchased) by the Issuer pursuant to the Receivables Sale and Purchase Agreement which has neither been paid in full by or on behalf of the Obligor nor repurchased by the Seller pursuant to the Receivables Sale and Purchase Agreement.

"**Rating Agencies**" means S&P and Fitch.

"**Rating Agency Confirmation**" means, a confirmation in writing by the relevant Rating Agencies that the then current ratings of the Class A Notes will not be downgraded, qualified or withdrawn as a result of the relevant event or matter provided that if: (a) a confirmation or affirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and (b) a written request for such confirmation affirmation or response is

delivered to that Rating Agency by any of the Issuer, the Servicer, the Swap Provider (in respect of a Rating Agency Confirmation requested pursuant to the provisions of the Swap Agreement only) and/or the Note Trustee, as applicable (each a "**Requesting Party**") and one or more of the Rating Agencies (each a "**Non-Responsive Rating Agency**") indicates that it does not consider such confirmation, affirmation or response necessary in the circumstances, the Requesting Party shall be entitled to disregard the requirement for a confirmation or affirmation of rating or other response by each Non-Responsive Rating Agency which provides such indication and proceed on the basis of the confirmations or affirmations of rating or other responses received by each other Rating Agency or, if all the Rating Agencies indicate that they do not consider such confirmation, affirmation or response necessary in the circumstances, on the basis that such confirmation or affirmation of rating or other response by a Rating Agency is not required in the particular circumstances of the request. If a Rating Agency does not respond to a written request for a confirmation or affirmation of rating such non response shall not be interpreted to mean that such Rating Agency has given any deemed confirmation or affirmation of rating or other response in respect of such action or step or any deemed indication that it does not consider such confirmation, affirmation or response necessary in the circumstances, provided that in the event of a non-response from all Rating Agencies, the Requesting Party will be entitled to proceed on the basis that such confirmation or affirmation of rating or other response by a Rating Agency is not required in the particular circumstances of the request.

"**Rating Agency Event**" means:

(a) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of TMC are downgraded below BBB/BBB by any of Fitch or S&P; or

(b) TMC ceases to own, directly or indirectly, 100% of the share capital for TFSUK in its capacity as Seller and Servicer.

"**Receivable**" means any and all claims and rights of the Seller, present and future, absolute or contingent, to payment from the Obligor under an Underlying Agreement (but excluding any Excluded Amounts).

"**Receivables Indemnity Amount**" means, in respect of a Receivable, an amount equal to the Repurchase Price for such Receivable.

"**Receivables Listing**" means the details of the Purchased Receivables which shall be contained in the Sale Notice.

"**Receivables Sale and Purchase Agreement**" means the receivables sale and purchase agreement between, *inter alios*, the Seller, the Issuer, and the Security Trustee on or about the Closing Date, under which the Seller sells and assigns the Purchased Receivables to the Issuer.

"**Receiver**" or "**receiver**" means any receiver (including a receiver under the Law of Property Act 1925), receiver and manager or administrative receiver or any analogous officer in any jurisdiction (who in the case of an administrative receiver is a qualified person in accordance with the Insolvency Act 1986) and who is appointed by the Security Trustee under the Deed of Charge in respect of the security and includes more than one such receiver and any substituted receiver.

"**Recovery Collections**" means all amounts received by the Servicer (or by any third party on the Servicer's behalf) during the relevant Calculation Period in respect of, or in connection with, any Purchased Receivable after the date such Purchased Receivable became a Defaulted Receivable (provided that such Defaulted Receivable has not been written off in total) including, for the avoidance of doubt, principal, interest, damages, reminder fees, past due interest and any other payment, by or for the account of the relevant Obligor minus all Excluded Amounts and all out of pocket expenses paid to third parties and incurred by the Servicer in connection with the

collection and enforcement of the Defaulted Receivable in line with the Credit and Collection Procedures of the Servicer and excluding any VAT rebate thereon.

"**Redelivery PCP Agreement**" means a PCP Agreement under which the Obligor opts to make full and final settlement of a PCP Agreement by return to the Seller of the Vehicle financed by such PCP Agreement.

"**Redelivery Purchased Receivable**" means a Purchased Receivable, in respect of which the related Underlying Agreement is a Redelivery Underlying Agreement.

"**Redelivery Repurchase Agreement**" means the Redelivery Repurchase Agreement between TFSUK, the Issuer and the Security Trustee dated on or about the Closing Date.

"**Redelivery Repurchase Date**" means the Interest Payment Date on which a Redelivery Purchased Receivable is repurchased by TFSUK pursuant to the terms of the Redelivery Repurchase Agreement.

"**Redelivery Repurchase Price**" means an amount equal to the Repurchase Price.

"**Redelivery Underlying Agreement**" means a Redelivery PCP Agreement or a Redelivery VT Underlying Agreement, as applicable.

"**Redelivery VT Underlying Agreement**" means a Regulated Underlying Agreement which is subject to Voluntary Termination.

"**Refinanced Underlying Agreement**" means a PCP Agreement under which the original balloon rental payment has been rescheduled by way of an extension of the terms by three or more months.

"**Register**" means the register kept at the specified office of the Registrar on which will be entered the names and addresses of the holders of the Notes and the particulars of such Notes held by them and all transfers and redemptions of such Notes.

"**Registrar**" means Citibank, N.A., London Branch, acting through its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

"**Regular Payment**" means each monthly payment due from the relevant Obligor under the Underlying Agreement to which such Obligor is a party.

"**Regulated Underlying Agreements**" means the Underlying Agreements which are regulated by the CCA.

"**Relevant Date**" means the date falling 10 years after the Legal Maturity Date.

"**Relevant Notes**" means, in respect S&P and/or Fitch and any time, the Class of Notes with the highest rating from S&P and/or Fitch, as applicable, at such time.

"**Relevant Recipients**" the Issuer, the Noteholders, (upon request) any potential investors in the Notes and the relevant competent authorities (as determined under the EU Securitisation Regulation and the UK Securitisation Regulation).

"**Replacement Cash Manager**" means the replacement cash manager appointed pursuant to the terms of the Cash Management Agreement.

"**Replacement Cash Management Agreement**" has the meaning provided to it in clause 15.5(a)(iii) (*Appointment of Replacement Cash Manager*) of the Cash Management Agreement.

"**Replacement Servicing Agreement**" means the replacement servicing agreement entered into between, among others, the Issuer and any replacement Servicer.

"**Replacement Swap Premium**" means an amount payable by the Issuer to a replacement swap provider upon entry by the Issuer into an agreement with such replacement swap provider to replace the outgoing Swap Provider.

"**Replenishment Ledger**" means a replenishment ledger of the Transaction Account of the Issuer, opened on or before the Closing Date with the Account Bank.

"**Reporting Date**" means the 5th Business Day preceding the relevant Interest Payment Date.

"**Repurchase Date**" means the date on which a Purchased Receivable is repurchased by the Seller pursuant to the Receivables Sale and Purchase Agreement or, in respect of any Purchased Receivable which has never existed, or ceases to exist, such that it is not outstanding on the date on which it would otherwise be due to be so repurchased, the date on which it would otherwise be due to be repurchased pursuant to the Receivables Sale and Purchase Agreement had such Purchased Receivable existed.

"**Repurchase Price**" means in respect of any Receivable, an amount equal to the Discounted Receivables Balance of such Purchased Receivable as of the Determination Date immediately preceding the date of such repurchase.

"**Required Ratings**" means with respect to the Account Bank:

(a) a long term rating of "A" from S&P; and

(b) a long term deposit rating (or, in the absence of such a rating with respect to such entity, an issuer default rating) of "A" or a short term deposit rating (or, in the absence of such a rating with respect to such entity, an issuer default rating) of "F1" from Fitch,

or such other rating or ratings as may be agreed by the relevant Rating Agency from time to time (or as are consistent with the then published criteria of the relevant Rating Agency) as would maintain the then current ratings of the Class A Notes.

"**Required Replenishment Amount**" means an amount equal to the higher of:

(a) zero; and

(b) the lower of:

  (i) the Theoretical Principal Amount; and

  (ii) the Available Receipts remaining after the payment of items (a) to (f) of the Pre-Acceleration Priority of Payments.

"**Reserve Account**" means the general reserve account of the Issuer opened on or before the Closing Date with the Account Bank or any successor account for the purposes of holding the Reserve Fund.

"**Reserve Fund**" means the general reserve of the Issuer opened in the Reserve Account in an amount on the Closing Date equal to the Reserve Fund Required Amount.

"**Reserve Fund Required Amount**" means:

(a) in respect of the Closing Date, GBP 7,000,000;

(b) in respect of any Interest Payment Date up to (but excluding) the Final Class A Interest Payment Date, an amount equal to the greater of:

(i) 1.40 per cent. of the Class A Notes; and

(ii) 0.70 per cent. of the aggregate Outstanding Note Principal Amount of the Class A Notes as at the Closing Date; and

(c) in respect of any Interest Payment Date on or after the Final Class A Interest Payment Date, GBP 0.

"**Rescheduled Receivable**" means a Purchased Receivable where the original balloon payment is rescheduled and the tenor of the Underlying Agreement is extended (save for the rescheduling of a balloon payment in respect of a contractually agreed extension as permitted under the terms of an AccessFlex Contract).

"**Rescheduled Receivable Repurchase Date**" means the Interest Payment Date on which a Rescheduled Receivable is repurchased by TFSUK pursuant to the terms of the Redelivery Repurchase Agreement.

"**Rescheduled Receivable Repurchase Price**" means an amount equal to the Repurchase Price.

"**Retention Requirements**" means Article 6 of the UK Securitisation Regulation and, until such time as the Seller certifies to the Issuer that a competent EU authority has confirmed that the satisfaction of the requirements under Article 6 of the UK Securitisation Regulation will also satisfy the requirements of the EU Securitisation Regulation due to the application of an equivalence regime or similar analogous concept, Article 6 of the EU Securitisation Regulation.

"**Revolving Period**" means the period from (and including) the Closing Date and ending on (and including) the earlier of (i) the Interest Payment Date falling in March 2025 and (ii) the occurrence of an Early Amortisation Event.

"**Risk Retention U.S. Person"** means a U.S. person as defined in the U.S. Risk Retention Rules.

"**RV Event**" means that a PCP Agreement matures and the relevant Vehicle is returned to TFSUK for sale.

"**S&P**" and "**Standard and Poor's**" means S&P Global Ratings UK Limited and any successor to the debt rating business thereof.

"**S&P Criteria**" means the criteria used by S&P as set out in S&P's "Counterparty Risk Framework: Methodology and Assumptions" dated 8 March 2019 and republished on 27 July 2023.

"**S&P Eligible Guarantor**" means a party that has agreed to become co-obligor or guarantor in respect of the obligations of the Swap Provider under the Swap Agreement, pursuant to a guarantee which complies with S&P's applicable guarantee criteria as set out in the Guarantee Criteria dated 21 October 2016 (or such other guarantee criteria as may amend or replace such criteria prior to the entry of the guarantor into such guarantee).

"**Sale Notice**" means the notice of the sale of Receivables substantially in the form of Schedule 3 (*Form of Sale Notice*) of the Receivables Sale and Purchase Agreement.

"**Scottish Declaration of Trust**" means a declaration of trust, substantially in the form of Schedule 9 (*Form of Scottish Declaration of Trust*) to the Receivables Sale and Purchase

Agreement entered into by TFSUK in favour of the Issuer pursuant to the terms of the Receivables Sale and Purchase Agreement.

"**Scottish Receivables**" means all Purchased Receivables which are governed by or otherwise subject to Scots law (including, without limitation, those arising under Underlying Agreements in respect of which the address for invoicing of the relevant Obligor is situated in Scotland) and all rights (other than Excluded Amounts) of the Seller under the Underlying Agreements from which those Purchased Receivables are derived including (without limitation) all Ancillary Rights.

"**Scottish Trust**" means the trust in respect of Scottish Receivables constituted pursuant to any Scottish Declaration of Trust.

"**Scottish Trust Property**" has the meaning given to that term in a Scottish Declaration of Trust.

"**Screen**" means Reuters Screen SONIA; or

(a) such other page as may replace Reuters Screen SONIA on that service for the purpose of displaying such information; or

(b) if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one previously selected by the Issuer) as may replace such screen.

"**Secured Creditors**" means the Noteholders, Corporate Services Provider, the Cash Manager, the Account Bank, the Swap Provider, the Paying Agent, the Interest Determination Agent, the Registrar, the Note Trustee, the Security Trustee, the Seller, the Servicer, the Back-Up Facilitator, the Subordinated Lender, any Receiver, Appointee and any other party which becomes a secured creditor pursuant to the Deed of Charge.

"**Secured Obligations**" means all duties and liabilities (present and future, actual and contingent) of the Issuer which the Issuer has covenanted with the Security Trustee to pay to the Noteholders and the other Secured Creditors pursuant to the Deed of Charge.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Securitisation Regulations**" means the EU Securitisation Regulation and/or the UK Securitisation Regulation, as applicable.

"**Security**" means all Adverse Claims from time to time created by the Issuer in favour of the Security Trustee (as trustee on behalf of itself and the other Secured Creditors) pursuant to the Deed of Charge.

"**Security Period**" means the period beginning on the date of the Deed of Charge and ending on the date on which all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full.

"**Security Trustee**" means CSC Trustees Limited, including its successors, assigns and any other person or persons from time to time acting as trustee under the Deed of Charge.

"**Seller**" means TFSUK.

"**Seller Collection Accounts**" means the accounts held in the name of TFSUK as the Seller into which amounts received from Obligors in respect of the Purchased Receivables are made.

"**Seller Power of Attorney**" means the power of attorney granted in favour of the Issuer pursuant to the Receivables Sale and Purchase Agreement.

"**Senior Expenses**" means, as at each Calculation Date or on any other date of determination, the amounts due (including any indemnity claims) or to become due prior to the related Interest Payment Date or other date of payment:

(a) to the Note Trustee under the Trust Deed and the Security Trustee or any Receiver or any Appointee appointed by it on or prior to such Interest Payment Date under the Deed of Charge;

(b) to the Corporate Services Provider under the Corporate Services Agreement;

(c) to the Registrar and the Paying Agent under the Agency Agreement;

(d) to the Account Bank under the Bank Account Agreement;

(e) to the Cash Manager and the Interest Determination Agent under the Cash Management Agreement;

(f) to the Servicer under the Servicing Agreement (including the Servicing Fee);

(g) to the Back-Up Facilitator under the Servicing Agreement;

(h) to any administrator or liquidator of the Seller any Incentive Fee including any administrator or liquidator's costs and expenses in selling such Vehicle, to the extent the Seller does not retain the same from the relevant Vehicle Sale Proceeds; and

(i) other than in the Post-Acceleration Priority of Payments, to any party who is not a party to any Transaction Document to whom the Issuer has delegated obligations in respect of EMIR (including any reporting or portfolio reconciliation obligations) or in respect of any agreements relating to EMIR.

"**Servicer**" means TFSUK or at any time the Person then authorised pursuant to the Servicing Agreement to service, administer and collect the Purchased Receivables.

"**Servicer Shortfall**" means, with respect to any Interest Payment Date relating to any period for which TFSUK is the Servicer, the amount by which the Collections paid by the Servicer to the Issuer is less than the amount of the Collections as indicated in the relevant Monthly Report prepared by the Servicer for such Interest Payment Date and in respect of which no previous withdrawal has been made from amounts standing to the credit of the Commingling Reserve Ledger.

"**Servicer Termination Event**" means the occurrence of any of the following events:

(a) an Insolvency Event occurs in respect of the Servicer;

(b) the Servicer fails to pay any amount due under the Servicing Agreement on the due date or on demand, if so payable, or to direct any movement of collections as required under the Servicing Agreement and the other Transaction Documents, and such failure has continued unremedied for a period of 7 Business Days after written notice of the same has been received by the Servicer or discovery of such failure by the Servicer;

(c) the Servicer (i) fails to observe or perform in any respect any of its covenants and obligations (in its capacity as Servicer) under or pursuant to the Servicing Agreement or any other Transaction Document to which it is a party (other than as referred to in paragraph (b) above and paragraph (ii) of this paragraph (c)) and such failure results in a Material Adverse Effect on the Purchased Receivables and continues unremedied for a period of 60 calendar days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer or (ii) fails to

maintain its authorisations and permissions under the FSMA or any other regulatory licence or approval required under the terms of the Servicing Agreement and such failure continues unremedied for a period of 60 calendar days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer; or

(d) any of the representations or warranties given by the Servicer pursuant to the Servicing Agreement or any other Transaction Document to which it is a party (in its capacity as Servicer) prove to be untrue, incomplete or inaccurate and such default results in a Material Adverse Effect on the Purchased Receivables and (if capable of remedy) continues unremedied for a period of 60 calendar days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer.

"**Servicing Agreement**" means the servicing agreement entered into between the Issuer, the Servicer and the Security Trustee on or about the Closing Date.

"**Servicing Fee**" means the servicing fee of 1.00% per annum of the Aggregate Discounted Receivables Balance payable by the Issuer to the Servicer pursuant to, and in accordance with, the Servicing Agreement.

"**Set-off Receivable**" means any Receivable in respect of which the Obligor has exercised a right of set-off which has resulted in the Seller receiving less in respect of the Receivable than was due (but for such set-off) pursuant to Sections 56, 75 and 75A of the CCA.

"**Settlement Amount**" means the amount payable by TFSUK to the Issuer as Repurchase Price, Receivables Indemnity Amount, Redelivery Repurchase Price, Rescheduled Receivable Repurchase Price, Final Repurchase Price or the Tax Redemption Repurchase Price.

"**Share Trustee**" means CSC Corporate Services (UK) Limited.

"**SONIA**" means in respect of any Business Day, a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Screen or, if the Screen is unavailable, as otherwise published by such authorised distributors (on the Business Day immediately following such Business Day).

"**Specified Office**" means, with respect to the Agents, the offices listed at the end of the Conditions or such other offices as may from time to time be duly notified pursuant to Condition 15 (*Notices*).

"**SSPE**" has the meaning given to that term in the UK Securitisation Regulation and/or the EU Securitisation Regulation, as applicable.

"**Standard Documentation**" or "**Standard Documents**" means the forms of the standard documents used by the Seller in originating Underlying Agreements as may be amended in accordance with its Credit and Collection Procedures.

"**Subordinated Lender**" means TFSUK.

"**Subordinated Loan**" means the loan granted on the Closing Date by the Subordinated Lender to the Issuer in an amount of GBP 7,000,000.

"**Subordinated Loan Agreement**" means the subordinated loan agreement entered into by the Issuer, the Subordinated Lender and the Security Trustee on or about the Closing Date, under which the Subordinated Lender will advance the Subordinated Loan to the Issuer.

"**Subscription Agreement**" means the subscription agreement entered into by the Issuer, the Seller, the Joint Lead Managers and the Co-Arrangers on or about the date of this Prospectus.

"**Subsequent S&P Required Rating**" means that, in respect of the applicable S&P Collateral Framework Option, either (i) the issuer credit rating or (ii) the resolution counterparty rating assigned by S&P to the entity is at least as high as the relevant rating corresponding to the then current rating of the Relevant Notes and the applicable S&P Collateral Framework Option as specified in the table below:

Relevant Notes Rating	**Subsequent S&P Required Rating (Strong Collateral Framework)**	**Subsequent S&P Required Rating (Adequate Collateral Framework)**	**Subsequent S&P Required Rating (Moderate Collateral Framework)**	**Subsequent S&P Required Rating (Weak Collateral Framework)**
AAA	BBB+	A-	A	A+
AA+	BBB+	A-	A-	A+
AA	BBB	BBB+	A-	A
AA-	BBB	BBB+	BBB+	A-
A+	BBB-	BBB	BBB+	A-
A	BBB-	BBB	BBB	BBB+
A-	BBB-	BBB-	BBB	BBB+
BBB+	BB+	BBB-	BBB-	BBB
BBB	BB	BB+	BBB-	BBB
BBB-	BB-	BB	BB+	BBB-
BB+ and below	At least as high as 3 notches below the Relevant Notes rating	At least as high as 2 notches below the Relevant Notes rating	At least as high as 1 notch below the Relevant Notes rating	At least as high as the Relevant Notes rating

"Subsidiary" means any company which is for the time being a subsidiary (within the meaning of Section 1159 of the Companies Act 2006) or a subsidiary undertaking (within the meaning of Section 1162 of the Companies Act 2006).

"**Successor Servicer**" has the meaning given to it in clause 13.3(a) (*Transition to Successor Servicer*) of the Servicing Agreement.

"**Swap Agreement**" means the 2002 ISDA Master Agreement, the schedule thereto, an interest rate swap confirmation and a related credit support annex thereunder dated and executed on or about the Closing Date between the Issuer and the Swap Provider.

"**Swap Collateral**" means an amount equal to the value of the collateral (or the applicable part of any collateral) provided by the Swap Provider to the Issuer in respect of that Swap Provider's obligations to transfer collateral to the Issuer under the Swap Agreement and includes any interest and distributions in respect thereof.

"**Swap Collateral Account**" means the swap collateral account of the Issuer opened on or before the Closing Date with the Account Bank or any successor account.

"**Swap Notional Amount**" means, in respect of each swap calculation period, the notional amount of the Swap Transaction during such swap calculation period as set out in the interest rate swap transaction confirmation entered into under the Swap Agreement.

"**Swap Provider**" means Royal Bank of Canada.

"**Swap SONIA**" means, in respect of each swap calculation period under the Swap Transaction, the rate calculated for such swap calculation period in accordance with the Swap Agreement as the compounded daily rate of GBP SONIA.

"**Swap Subordinated Amounts**" means any termination amount payable by the Issuer to the Swap Provider under the Swap Agreement as a result of either:

(a) an Event of Default (as defined in the Swap Agreement) where the Swap Provider is the Defaulting Party (as defined in the Swap Agreement); or

(b) an Additional Termination Event (as defined in the Swap Agreement) which occurs as a result of the failure of the Swap Provider to comply with the requirements of a rating downgrade provision set out under the Swap Agreement; or

"**Swap Tax Credits**" means any credit, allowance, set-off or repayment, which is received by the Issuer in respect of Tax (as defined in the Swap Agreement) from the relevant Tax Authorities of any jurisdiction relating to any deduction or withholding giving rise to an increased payment by the Swap Provider to the Issuer.

"**Swap Termination Payment**" means the amount due from the Swap Provider to the Issuer or from the Issuer to the Swap Provider under the Swap Agreement following the termination of one or more Transactions (as defined in the Swap Agreement) under Section 6 of the Swap Agreement.

"**Tax**" or "**Taxation**" means all forms of tax, levy, impost, duty, fee, contribution, deduction or other charge or withholding of a similar nature imposed or levied in any jurisdiction (including any penalty, charge or interest payable in connection with any failure to pay or any delay in paying any of the foregoing).

"**Tax Authority**" means any authority competent to collect, assess or administer Tax.

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Transaction Document, other than a FATCA Deduction.

"**Tax Information Arrangement**" means any governmental or inter-governmental arrangement, or other arrangement between competent authorities, for the cross-border exchange of tax information applicable in any jurisdiction (or any treaty, law, regulation, or official guidance enacted, issued or amended in any jurisdiction which facilitates the implementation of such arrangement) including (without limitation) FATCA, any arrangement analogous to FATCA, and any bilateral or multilateral tax information agreement between the United Kingdom and any other jurisdiction(s).

"**Tax Redemption Receivables**" means, on any Interest Payment Date and in relation to the Tax Redemption Receivables Call Option, all Purchased Receivables then owned by the Issuer.

"**Tax Redemption Receivables Call Option**" means the call option granted to the Seller pursuant to the Receivables Sale and Purchase Agreement, under which the Seller, prior to the

occurrence of an Insolvency Event in respect of the Seller, has the right to repurchase from the Issuer the Tax Redemption Receivables.

"**Tax Redemption Repurchase Price**" means in respect of a Tax Redemption Receivable, an amount equal to the Repurchase Price for such Receivable.

"**Terminated Receivable**" means any Purchased Receivable where:

(a) the Obligor related to such Purchased Receivable has elected to exercise its right to return such Vehicle and terminate the Underlying Agreement to which such Purchased Receivable relates under the Consumer Credit Act 1974; or

(b) any Purchased Receivable which has been terminated by TFSUK in accordance with the Credit and Collection Procedures; or

(c) any Receivable that has been subject to a RV Event.

"**TFSUK**" means Toyota Financial Services (UK) PLC.

"**TFSUK Information**" has the meaning given to it on page xii of this Prospectus.

"**Theoretical Principal Amount**" means the difference by which (a) exceeds (b):

(a) the Aggregate Outstanding Note Principal Amount on the previous Interest Payment Date; and

(b) the Aggregate Discounted Receivables Balance of the Purchased Receivables in the Portfolio at the end of the Calculation Period before the relevant Interest Payment Date.

"**TMC**" means Toyota Motor Corporation.

"**Transaction**" means the securitisation transaction in connection with which the Notes are issued and to which the Transaction Documents refer.

"**Transaction Account**" means the distribution account of the Issuer opened on or before the Closing Date with the Account Bank with the separate Issuer Profit Ledger or any successor account.

"**Transaction Documents**" means the Trust Deed, the Deed of Charge (and any document entered into pursuant thereto, including any Assignation in Security and the Issuer Power of Attorney), the Agency Agreement, the Bank Account Agreement, the Cash Management Agreement, the Receivables Sale and Purchase Agreement, Redelivery Repurchase Agreement, the Seller Power of Attorney, the Servicing Agreement, the Subordinated Loan Agreement, the Global Notes representing the Notes, the Master Definitions Schedule, the Swap Agreement, the Corporate Services Agreement, each Scottish Declaration of Trust, the Collection Account Declaration of Trust, the Trustee Fee Letter and the Issuer ICSDs Agreement and any other agreement entered into between the Transaction Parties from time to time which is designated as a "Transaction Document" by the parties thereto.

"**Transaction Party**" means a party to a Transaction Document.

"**Trust Deed**" means the trust deed dated on the Closing Date between the Issuer, the Note Trustee and the Security Trustee.

"**Trustee Acts**" means the Trustee Act 1925 and the Trustee Act 2000.

"**Trustee Fee Letter**" means a fee letter dated on or about the Closing Date between the Issuer, the Note Trustee and the Security Trustee.

"**TSC Regulations**" means the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (as amended).

"**UCPD**" means the Unfair Commercial Practices Directive No 2005/29.

"**UK**" or "**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.

"**UK Article 7 ITS**" means the EU Article 7 ITS as it forms part of UK domestic law by virtue of the EUWA and any relevant laws, instruments, regulations, rules, guidance, policy statements, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto;

"**UK Article 7 RTS**" means the EU Article 7 RTS as it forms part of UK domestic law by virtue of the EUWA and any relevant laws, instruments, regulations, rules, guidance, policy statements, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto; and

"**UK Article 7 Technical Standards**" means the UK Article 7 RTS and the UK Article 7 ITS.

"**UK Benchmark Regulation**" means the Benchmark Regulation (Regulation (EU) 2016/1011) as it forms part of UK domestic law by virtue of the EUWA.

"**UK CRA Regulation**" means Regulation (EC) No 1060/2009 of the European Parliament on credit rating agencies, as amended by Regulation (EU) No 513/2011 and by Regulation (EU) No 462/2013 as it forms part of UK law by virtue of the EUWA.

"**UK CRR**" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 as it forms part of UK domestic law by virtue of the EUWA.

"**UK EMIR**" means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 as it forms part of UK domestic law by virtue of the EUWA.

"**UK GDPR**" means the General Data Protection Regulation 2016/679 as it forms part of UK domestic law by virtue of the EUWA.

"**UK Insolvency Regulation**" means the EU Insolvency Regulation, as it forms part of domestic law of the United Kingdom by virtue of the EUWA and the Insolvency (Amendment) (EU Exit) Regulations 2009, SI 2019/146.

"**UK Market Abuse Regulation**" means the EU Market Abuse Regulation and any implementing laws or regulations in force in the United Kingdom in relation to the EU Market Abuse Regulation or amending the EU Market Abuse Regulation as it will apply in the United Kingdom (together with applicable directions, secondary legislation, guidance, regulatory technical standards, implementing technical standards and related documents published by the FCA and the PRA of the United Kingdom).

"**UK Retention Requirements**" means the retention by the Seller, on an ongoing basis as an originator within the meaning of the UK Securitisation Regulation, of a material net economic interest of not less than 5 per cent. in the securitisation, as determined in accordance with Article 6(3)(d) of the UK Securitisation Regulation.

"**UK Securitisation Regulation**" means Regulation (EU) No 2017/2402 as it forms part of UK domestic law by virtue of the EUWA together with applicable secondary legislation, guidance, regulatory technical standards, implementing technical standards and related documents published by the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto, in each case as amended, varied superseded or substituted from time to time.

"**UK SR Monthly Investor Report**" means the investor report in respect of the Calculation Period immediately preceding each Interest Payment Date as then required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation.

"**UNCITRAL Implementing Regulations**" means the UNCITRAL (United Nations Commission on International Trade Law) Model Law implemented in Great Britain on 4 April 2006 by the Cross-Border Insolvency Regulations (2006) (*SI 2006/1030*).

"**Underlying Agreement**" means any Hire-Purchase Agreement and any PCP Agreement (including any modifying agreements supplemental to any Hire-Purchase Agreement or any PCP Agreement relating to any replacement motor vehicle which becomes the subject matter of any such Hire-Purchase Agreement or PCP Agreement) from which any Receivable derives

"**United States**" means, for the purpose of the Transaction, the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

"**Unsupported Minimum Counterparty Rating**" means the Long-Term Fitch Rating or, if applicable, the short-term issuer default rating from Fitch corresponding to the then current rating category of the Relevant Notes as set out in the following table:

Current rating category of highest rated Relevant Notes	**Unsupported Minimum Counterparty Rating**
AAAsf	A or F1
AAsf	A- or F1
Asf	BBB or F2
BBBsf	BBB- or F3
BBsf	At least as high as the highest rated Class A Note outstanding (the "**Relevant Notes Fitch Rating**")
Bsf or below or highest rated Class A Notes outstanding are not rated by Fitch	At least as high as the Relevant Notes Fitch Rating

"**U.S. Person**" means a U.S. person as defined in Regulation S.

"**U.S. Risk Retention Rules**" means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the Exchange Act, as amended, adopted pursuant to the requirements of Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

"**U.S. Risk Retention Waiver**" means an exemption provided for in Section 20 of the U.S. Risk Retention Rules.

"**Variation**" means any amendment or variation to the terms of an Underlying Agreement after the relevant Cut-Off Date.

"**VAT**" or "**Value Added Tax**" means (i) in relation to the United Kingdom, any value added tax imposed in accordance with VATA and legislation and regulations supplemental thereto; (ii) any

tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and (iii) any other tax of a similar nature, whether imposed in the United Kingdom or in a Member State of the European Union in substitution for, or levied in addition to, such tax referred to in (i) or (ii), or imposed elsewhere.

"**VAT Group**" means any group for any VAT purposes.

"**VATA**" means the Value Added Tax Act 1994.

"**Vehicle**" means, with respect to any Underlying Agreement, any motor vehicle the subject of the Underlying Agreement related to such Purchased Receivable.

"**Vehicle Sale Proceeds**" means, in relation to a Purchased Receivable, the proceeds of sale of the Vehicle that is the subject of the relevant Underlying Agreement including a sale of such Vehicle arising due to the return or repossession of such Vehicle at the end of the contractual term of the Underlying Agreement or following a default under the relevant Underlying Agreement or exercise by the relevant Obligor of a Voluntary Termination.

"**Volcker Rule**" means Section 619 of the Dodd-Frank Act and any relevant implementing provisions thereof.

"**Voluntary Termination**" means the voluntary termination of a Regulated Underlying Agreement by an Obligor pursuant to Section 99 of the CCA.

"**Written Resolution**" means, in respect of a Class of Notes, a resolution referred to in paragraph (b) of the definition of Extraordinary Resolution or Ordinary Resolution above.

INDEX OF DEFINED TERMS

REGISTERED OFFICE OF THE ISSUER

Koromo UK 1 PLC
10th Floor 5 Churchill Place
London, E14 5HU
United Kingdom

THE SELLER, SERVICER, SUBORDINATED LENDER, CASH MANAGER AND INTEREST DETERMINATION AGENT

Toyota Financial Services (UK) PLC
Great Burgh, Burgh Heath
Epsom
Surrey, KT18 5UZ
United Kingdom

THE CO-ARRANGERS

BofA Securities
2 King Edward Street
London, EC1A 1HQ
United Kingdom

MUFG Securities EMEA plc
Ropemaker Place
25 Ropemaker Street
London, EC2Y 9AJ
United Kingdom

THE JOINT LEAD MANAGERS

BofA Securities
2 King Edward Street
London, EC1A 1HQ
United Kingdom

MUFG Securities EMEA plc
Ropemaker Place
25 Ropemaker Street
London, EC2Y 9AJ
United Kingdom

THE SWAP PROVIDER

Royal Bank of Canada
100 Bishopsgate
London, EC2N 4AA

THE NOTE TRUSTEE / THE SECURITY TRUSTEE

CSC Trustees Limited
10th floor, 5 Churchill Place,
London E14 5HU
United Kingdom

THE ACCOUNT BANK / THE PAYING AGENT / REGISTRAR

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Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

LEGAL ADVISORS

Counsel to the Seller, Servicer, Subordinated Lender, Cash Manager and Interest Determination Agent

as to English law

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United Kingdom

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