SILVER ARROW S.A., ACTING IN RESPECT OF ITS COMPARTMENT SILVER ARROW UK 2020-2

(incorporated as a public limited liability company (société anonyme) under the Luxembourg Securitisation Law, and registered with the Luxembourg register of commerce and companies under number B 111345)

GBP 500,000,000.00 Class A Compartment Silver Arrow UK 2020-2 Notes due 2026, issue price: 100%.

GBP 176,000,000.00 Class B Compartment Silver Arrow UK 2020-2 Notes due 2026, issue price: 100%.

Notes	Initial Aggregate Outstanding Note Amount (GBP)	Issue Price	Interest Reference Rate	Relevant Margin	Legal Maturity Date	Expected Ratings (Fitch / DBRS)
Class A Compartment Silver Arrow UK 2020-2 Notes	500,000,000.00	100%	(i) Compounded Daily SONIA + (ii) Relevant Margin, the sum of (i) and (ii) being subject to a floor of zero	0.58%	20 December 2026 subject to the Business Day Convention	AAA (sf) / AAA (sf)
Class B Compartment Silver Arrow UK 2020-2 Notes	176,000,000.00	100%	1.30%	N/A	20 December 2026 subject to the Business Day Convention	No Rating

Issue Date

The Issuer expects to issue the Class A Compartment Silver Arrow UK 2020-2 Notes (the "**Class A Notes**") and the Class B Compartment Silver Arrow UK 2020-2 Notes (the "**Class B Notes**" and together with the Class A Notes, the "**Notes**") in the classes set out above on 20 November 2020 (the "**Issue Date**") (the "**Transaction**").

Underlying Assets

The Issuer will make payments on the Notes from, among other sources, the payments it receives from obligors ("**Obligors**") pursuant to automotive hire purchase agreements and personal contract plan agreements originated by Mercedes-Benz Financial Services UK Limited ("**MBFS**", the "**Originator**" or the "**Seller**") (the "**Portfolio**") which will be purchased by the Issuer on the Purchase Date (being identical with the Issue Date, as defined below). These hire purchase agreements and personal contract plan 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 plan agreements an additional larger optional "balloon" payment at the end of the term.

Certain characteristics of the Portfolio are described in the sections of this Prospectus "*DESCRIPTION OF THE PORTFOLIO*" and in "*PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA*".

Credit Enhancement

The Class A Notes will benefit from credit enhancement provided by the General Reserve Required Amount and the subordination of the Class B Notes and the Subordinated Loan.

The Class B Notes will benefit from credit enhancement provided by the General Reserve Required Amount and the subordination of the Subordinated Loan.

For further explanation, please see "*RISK FACTORS – Risks relating to the Notes*".

Redemption Provisions

Information on any optional and mandatory redemption of the Notes is summarised on page 48 (*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 DBRS Ratings Limited ("**DBRS**"). 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 of the European Parliament (the "**CRA Regulation**"), as amended by Regulation (EU) No 513/2011 and by Regulation (EU) No 462/2013 ("**CRA3**"). Each of Fitch and DBRS is established in the European Community and according to the press release from European Securities Markets Authority ("**ESMA**") dated 31 October 2011, each of Fitch and DBRS is registered under the CRA Regulation. Reference is made to the list of registered or certified credit rating agencies published by ESMA on the webpage http://www.esma.europa.eu/page/List-registered-and-certified-CRAs as last updated on 14 November 2019.

Credit Ratings

The Rating Agencies' ratings of the Notes address the likelihood that the holders of the Class A Notes will receive all payments to which they are entitled, as described herein. Each rating takes into consideration the characteristics of the Purchased Receivables and the structural, legal, tax and Issuer-related aspects associated with the Class A Notes.

However, the ratings assigned to the Class A Notes do not represent any assessment of the likelihood or level of principal prepayments. The ratings do not address the possibility that the Class A 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 rating would be assigned by such other rating agency. The rating assigned to the Class A Notes by such other rating agency could be lower than the respective ratings assigned by the Rating Agencies.

The Issuer has not sought a rating in respect of the Class B Notes.

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

Approval, admission to trading and listing

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") of Luxembourg in its capacity as competent authority under the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and the Luxembourg law dated 16 July 2019 on prospectus for securities (*loi relative aux prospectus pour valeurs mobilières* – the "**Prospectus Law 2019**") for the approval of the Prospectus in respect of the Notes. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency requirements imposed by the Prospectus Regulation and the Prospectus Law 2019. Such approval should neither be considered as an endorsement of the Issuer that is the subject of this Prospectus nor 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. Moreover, in the

context of such approval, the CSSF neither assumes any responsibility nor gives any undertakings as to the economic and financial soundness of the Transaction UK 2020-2 and the quality or solvency of the Issuer in line with the provisions of article 6(4) of the Prospectus Law 2019. Application has also been made to the Luxembourg Stock Exchange (*Bourse de Luxembourg*) (the "**Luxembourg Stock Exchange**") for the Notes to be listed on the official list of the Luxembourg Stock Exchange on 20 November 2020 (the "**Issue Date**") and admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purpose of Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014. This Prospectus constitutes a prospectus for the purpose of Article 6(3) of the Prospectus Regulation. This Prospectus in connection with the Notes, once approved by the CSSF, will be published in electronic form on the website of the Luxembourg Stock Exchange (https://www.bourse.lu/issuer/SilverArrow/57734).

This Prospectus is valid until 20 November 2021.

The obligation to supplement a prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when a prospectus is no longer valid.

Obligations

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 MBFS, its affiliates or any other party to the Transaction SA UK 2020-2 Documents other than the Issuer.

Risk Retention Undertaking

On the Issue Date, MBFS will, as originator for the purposes of the Securitisation Regulation (as defined below), retain, for the life of the transaction, a material net economic interest of at least 5% in the securitisation, as required by Article 6 of the Securitisation Regulation (which does not take into account any relevant national measures) (the "**EU Retention Requirement**"). As of the Issue Date, such interest will, in accordance with Article 6(3)(d) of the Securitisation Regulation, be retained through the holding of the Class B Notes and the Subordinated Loan. Any change to the manner in which such interest is held will be notified to investors.

Transparency Requirements

The Originator has been designated as "*Reporting Entity*" pursuant to Article 7 of the Securitisation Regulation (the "**Reporting Entity**"). For further details on the information to be disclosed by the Reporting Entity please see the section entitled "*Compliance with Article 7 of the Securitisation Regulation*".

STS

The Transaction UK 2020-2 is intended to qualify as an STS securitisation within the meaning of Article 18 of the Regulation (EU) 2017/2402 (together with any implementing regulation, technical standards and official guidance related thereto, in each case as amended, varied or substituted from time to time).

The compliance of the Securitisation with the STS Requirements has been verified as of the Issue Date by Prime Collateralised Securities (PCS) UK Limited ("**PCS**"), in its capacity as third party verification agent authorised pursuant to Article 28 of the Securitisation Regulation. PCS will assess the compliance of the Notes with the requirements of Articles 19 to 22 of the Securitisation Regulation (the "**STS Verification**") and it is expected that the STS Verification prepared by PCS will be available on the PCS website (https://www.pcsmarket.org/sts-verification-transactions/) together with detailed explanations of its scope at: https://pcsmarket.org/disclaimer/ on and from the Issue Date. For the avoidance of doubt, this PCS website and the contents thereof do not form part of this Prospectus. No assurance can be provided that the Securitisation described in this Prospectus does or continues

to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future.

The Originator will notify the European Securities and Markets Associations ("**ESMA**"), in accordance with Article 27 of the Securitisation Regulation, and the FCA, that the requirements of Articles 19 to 22 of the Securitisation Regulation have been satisfied with respect to the Notes ("**STS Notification**").

In relation to such notification, the Originator has been designated as the first contact point for investors and competent authorities. The Originator has also taken responsibility for compliance with Article 7 of the Securitisation Regulation in accordance with Article 22(5) of the Securitisation Regulation.

For more information on the compliance of the Transaction with the compliance with the STS Requirements please see the section entitled "*Compliance with the STS Requirements*" and "*Compliance with Article 7 of the Securisation Regulation*".

U.S. Risk Retention Rules

The transaction described in this Prospectus is not intended to involve the retention by a sponsor of credit risk for purposes of compliance with the U.S. Risk Retention Rules, but rather intends to rely on the exemption provided for under Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions, and no other steps have been taken by the Issuer, the Seller, the Arranger, the Lead Manager or any of their respective affiliates or any other party to accomplish such compliance.

Except with the prior written consent of MBFS and where such sale falls within the exemption provided for under Section 20 of the U.S. Risk Retention Rules, the Notes sold on the Issue Date 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**"). "**U.S. Risk Retention Rules**" means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended. Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is similar to, but not identical to, the definition of "U.S. person" in Regulation S and that persons could be a Risk Retention U.S. Person but not a "U.S. person" under Regulation S. Each Purchaser of Notes, including beneficial interests therein will be deemed to, and in certain circumstances (including as a condition to placing an order relating to the Notes) will be required to, represent and agree that (1) it is not a Risk Retention U.S. Person (2) it is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) it is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules.

Notwithstanding the foregoing, the Issuer may, with the prior consent of MBFS, sell a limited portion of the Notes (representing no more than 10 per. cent of the sterling value of the Class A Notes and the Class B Notes) to, or for the account or benefit of, Risk Retention U.S. Persons in accordance with an exemption from the U.S. Risk Retention Rules.

Eurosystem Eligibility

On the Issue Date, the Class A Notes will be issued under the new safekeeping structure ("**NSS**"), will be deposited with one of the ICSDs as common safekeeper and are intended to be held in a manner which would allow Eurosystem eligibility. However, the Class A Notes are not expected to be recognised as Eurosystem eligible collateral as the Class A Notes will not satisfy all of the applicable criteria that are currently in force to be recognised as Eurosystem eligible collateral on issue. See "*CONDITIONS OF THE NOTES — Condition 2(i) (Form and Denomination)*".

Volcker Rule	The Issuer is structured not to be a "covered fund" under the regulations adopted to implement section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly known as the "Volcker Rule". In making this determination, the Issuer is relying on the "loan securitization exclusion" under sub-section 10(c)(8) of the Volcker Rule although other exclusions or exemptions may also be available to the Issuer.
Benchmarks	Interest payable under the Class A Notes will be calculated by reference to SONIA, which is provided by the Bank of England. Central bank-set benchmarks (such as SONIA provided by the Bank of England) are subject to certain exemptions pursuant to Article 2 of the Benchmarks Regulation, but the Bank of England has issued a statement of compliance with the principles for financial benchmarks issued in 2013 by the International Organisation of Securities Commissioners. 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 ESMA in accordance with Article 36 of (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**"). The Bank of England, as administrator of SONIA, is exempt under Article 2 of the Benchmarks Regulation but has issued a statement of compliance with the principles for financial benchmarks issued in 2013 by International Organisation of Securities Commissions.
Significant Investor	It is expected that on the Issue Date: (a) MBFS will acquire from the Issuer a material net economic interest of at least 5% in the securitisation through the holding of the Class B Notes and the Subordinated Loan in compliance with its risk retention requirements as described above; and (b) a single investor will acquire 100% of the Class A Notes.

For a discussion of certain significant factors affecting investments in the Notes, see "*RISK FACTORS*".

For reference to the definitions of capitalised terms appearing in this Prospectus, see "*THE MASTER DEFINITIONS SCHEDULE*".

Any website referred to in this Prospectus is for information purposes only and does not form part of this Prospectus and has not been scrutinised or approved by the competent authority.

Arranger

Santander Corporate and Investment Banking

Lead Manager

Santander Corporate and Investment Banking

The date of the Prospectus is 20 November 2020.

IMPORTANT NOTICE

THE NOTES REPRESENT OBLIGATIONS OF THE ISSUER ONLY AND DO NOT REPRESENT AN INTEREST IN OR OBLIGATION OF ANY OF THE ARRANGER, THE LEAD MANAGER, THE SELLER, THE SERVICER (IF DIFFERENT), THE NOTE TRUSTEE, THE SECURITY TRUSTEE, THE DATA TRUSTEE, THE ACCOUNT BANK, THE CUSTODIAN, THE PAYING AGENT, THE INTEREST DETERMINATION AGENT, THE CALCULATION AGENT, THE SWAP COUNTERPARTY, THE CORPORATE SERVICES PROVIDER OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PARTY (OTHER THAN THE ISSUER) TO THE TRANSACTION SA UK 2020-2 DOCUMENTS. IT SHOULD BE NOTED FURTHER THAT THE NOTES WILL ONLY BE CAPABLE OF BEING SATISFIED AND DISCHARGED FROM THE ASSETS OF COMPARTMENT SILVER ARROW UK 2020-2 OF THE ISSUER AND NOT FROM ANY OTHER COMPARTMENT OF THE ISSUER OR FROM ANY OTHER ASSETS OF THE ISSUER. NEITHER THE NOTES NOR THE UNDERLYING PURCHASED RECEIVABLES WILL BE INSURED OR GUARANTEED BY ANY GOVERNMENTAL AUTHORITY OR BY ANY OF THE ARRANGER, THE LEAD MANAGER, THE SELLER, THE SERVICER (IF DIFFERENT), THE CALCULATION AGENT, THE NOTE TRUSTEE, THE SECURITY TRUSTEE, THE DATA TRUSTEE, THE ACCOUNT BANK, THE CUSTODIAN, THE PAYING AGENT, THE INTEREST DETERMINATION AGENT, THE SWAP COUNTERPARTY, THE CORPORATE SERVICES PROVIDER OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PARTY (OTHER THAN THE ISSUER) TO THE TRANSACTION SA UK 2020-2 DOCUMENTS OR BY ANY OTHER PERSON OR ENTITY EXCEPT AS DESCRIBED HEREIN.

THE NOTES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY STATE SECURITIES LAWS, NOR HAS THE ISSUER BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940 (THE "**INVESTMENT COMPANY ACT**"). THE ISSUER IS BEING STRUCTURED SO AS NOT TO CONSTITUTE A "COVERED FUND" FOR PURPOSES OF REGULATIONS ADOPTED UNDER SECTION 13 OF THE BANK HOLDING COMPANY ACT OF 1956, AS AMENDED, COMMONLY KNOWN AS THE "VOLCKER RULE." IN MAKING THIS DETERMINATION, THE ISSUER IS RELYING ON THE "LOAN SECURITIZATION" EXCLUSION UNDER SUB-SECTION 10(C)(8) OF THE VOLCKER RULE, ALTHOUGH OTHER EXCLUSIONS OR EXEMPTIONS MAY ALSO BE AVAILABLE TO THE ISSUER.

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

Both the Class A Notes and the Class B Notes will be issued in registered form and in the denominations of £125,000 and integral multiples of £1,000 in excess of £125,000, up to and including £199,000. Interests in each of the Class A Notes and the Class B Notes will be represented by an unrestricted global registered note each, a "**Global Note**", without interest coupons attached. The Global Note representing the Class A Notes will be deposited on the Issue Date with one of Euroclear Bank S.A./N.V., or "**Euroclear**" or Clearstream Banking *société anonyme* or "**Clearstream, Luxembourg**" which will act as the common safekeeper for the Class A Notes. The Global Note representing the Class B Notes will be deposited on or around the Issue Date with a common depositary for Clearstream, Luxembourg and Euroclear. Except in certain limited circumstances, the Global Notes will not be exchangeable for unrestricted registered definitive notes, or "definitive notes", and no definitive notes will be issued with a denomination above £199,000.

On the Issue Date, the Class A Notes will be issued under the new safekeeping structure ("**NSS**"), will be deposited with one of the ICSDs as common safekeeper and are intended to be held in a manner which would allow Eurosystem eligibility. However, the Class A Notes are not expected to be recognised as Eurosystem eligible collateral as the Class A Notes will not satisfy all of the applicable criteria that are currently in force to be recognised as Eurosystem eligible collateral on issue. See "*CONDITIONS OF THE NOTES — Condition 2(i) (Form and Denomination)*".

Payments in respect of the Notes

Interest on the Notes will accrue on the Outstanding Note Principal Amount at a per annum rate equal to: (a)(i) Compounded Daily SONIA (the "**Applicable Benchmark Rate**"), plus (ii) 0.58% (the sum of (i) and (ii) being subject to a floor of zero), in the case of the Class A Notes and (b) 1.30% 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 in arrear on the 20th day of each calendar month, subject to the Business Day Convention (each, a "**Payment Date**"). The first payment date will be 20 January 2021. The Notes will mature on the Payment Date falling in December 2026, subject to the Business Day Convention (the "**Legal Maturity Date**"), unless previously redeemed in full. See "*CONDITIONS OF THE NOTES — Condition 7 (Payment of Interest)*".

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.

PRIIPS Regulation / Prohibition of Sales to EEA and UK 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 European Economic Area ("**EEA**") or 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 (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or recast, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). 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 or the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPS Regulation.

Benchmarks

Interest payable under the Class A Notes is calculated by reference to SONIA, which is provided by the Bank of England. As at the date of this Prospectus, the Bank of England, as 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 "**Benchmark Regulation**"). As far as the Issuer is aware, Article 2 of the 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).

Commercial Activities

Certain of the Arranger, the Lead Manager 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 and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Arranger, the Lead Manager 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 or Issuer's affiliates. Certain of the Arranger, the Lead Manager or their respective affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies.

Typically, such Arranger and Lead Manager 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 Arranger, the Lead Manager 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 full responsibility for the information contained in this Prospectus, (notwithstanding that the Seller and Servicer, the Note Trustee, the Security Trustee, the Data Trustee, the Swap Counterparty, the Corporate Services Provider, the Subordinated Lender, the Account Bank, the Custodian, the Calculation Agent, the Interest Determination Agent and Paying Agent, or any other party accepts responsibility in this Prospectus in respect of its own description), **provided that**, with respect to any information included herein and specified to be sourced from a third party (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 information available to it from such third party, no facts have been omitted, the omission of which would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and, save as provided under (i) accepts no responsibility for the accuracy hereof. The Issuer has taken all reasonable care to ensure that the information given in this Prospectus is (i) to the best of its knowledge in accordance with the facts and does not omit anything likely to affect its importance and (ii) true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein, whether of fact or opinion. Each of the Seller, the Servicer and the Subordinated Lender accepts responsibility for any information in this Prospectus relating to the Purchased Receivables, the disclosure of servicing related risk factors, risk factors relating to the Purchased Receivables, the information contained in "*COMPLIANCE WITH ARTICLE 6 OF THE SECURITISATION REGULATION*", "*COMPLIANCE WITH ARTICLE 7 OF THE SECURITISATION REGULATION*", "*COMPLIANCE WITH STS REQUIREMENTS*", "*EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS*", "*PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA*" and "*THE SELLER, THE SERVICER AND THE SUBORDINATED LENDER*". To the best knowledge and belief of the Seller, the Servicer and the Subordinated Lender the information contained in this Prospectus relating to the Purchased Receivables the disclosure of servicing related risk factors, risk factors relating to the Purchased Receivables, the information contained in "*COMPLIANCE WITH ARTICLE 6 OF THE SECURITISATION REGULATION*", "*COMPLIANCE WITH ARTICLE 7 OF THE SECURITISATION REGULATION*", "*COMPLIANCE WITH STS REQUIREMENTS*", "*EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS*", "*PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA*" and "*THE SELLER, THE SERVICER AND THE SUBORDINATED LENDER*" is in accordance with the facts and does not omit anything likely to affect the import of such information.

Representations about the Notes

No person has been authorised to give any information or to make any representations, other than those contained in this Prospectus, in connection with the issue and sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Seller, the Servicer (if different), the Account Bank, the Swap Counterparty, the Corporate Services Provider, the Custodian, the Paying Agent, the Interest Determination Agent, the Calculation Agent, the Data Trustee and the Note Trustee, the Security Trustee (all as defined below) or by the Arranger, or the Lead Manager shown on the cover page or by any other party mentioned herein and neither the Arranger or the Lead Manager is responsible for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of the Notes or any such other agreement or document.

Information regarding policies and procedures of the Seller

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

(a) criteria for the granting of credit and the process for approving, amending, renewing and refinancing credits, as to which please see further the section of the Prospectus headed "*THE SELLER, THE SERVICER AND THE SUBORDINATED LENDER*";

(b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures, as to which we note that the Portfolio will be serviced in line with the usual servicing procedures of the Seller – please see further the section of the Prospectus headed "*OVERVIEW OF THE PRINCIPAL TRANSACTION SA UK 2020-2 DOCUMENTS – Servicing Agreement*";

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

(d) policies and procedures in relation to risk mitigation techniques, as to which please see further the sections of the Prospectus headed "*THE SELLER, THE SERVICER AND THE SUBORDINATED LENDER*".

Eligible Securities

Certain investors in the Notes may wish to consider the use of the Notes as eligible securities for the purposes of the Bank of England's Discount Window Facility ("**DWF**") and the Term Funding Scheme with additional incentives for small and medium sized enterprises ("**TFSME**"). Recognition of the Notes as eligible securities for the purposes of the DWF or TFSME will depend upon satisfaction of the eligibility criteria as specified by the Bank of England. If the Notes do not satisfy the criteria specified by the Bank of England, there is a risk that the Notes will not be eligible DWF or TFSME collateral. In addition, whilst central bank schemes such as, amongst others, the Bank of England's Sterling Monetary Framework, the Funding for Lending Scheme, the Term Funding Scheme or the European Central Bank's liquidity scheme have provided an important source of liquidity in respect of eligible securities, as at the date of this Prospectus, use of such schemes (other than the TFSME) is restricted to the maintenance of existing drawings by participants. None of the Issuer, the Arranger, the Lead Manager nor any of their respective affiliates give any representation, warranty, confirmation or guarantee to any investor in the Notes that the Notes will, either upon issue, or at any time during their life, satisfy all or any requirements for DWF or TFSME eligibility and be recognised as eligible DWF or TFSME collateral. Any potential investors in the Notes should make their own determinations and seek their own advice with respect to whether or not the Notes constitute eligible DWF or TFSME collateral.

Selling Restrictions

The Notes have not been, and will not be, registered under the Securities Act. The Notes may be offered outside the United States in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes will be issued in registered form and are subject to certain United States tax law requirements.

Except with the prior written consent of MBFS and where such sale falls within the exemption provided for under Section 20 of the U.S. Risk Retention Rules, the Notes sold on the Issue Date 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**"). "**U.S. Risk Retention Rules**" means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended. Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is similar to, but not identical to, the definition of "U.S. person" in Regulation S and that persons could be a Risk Retention U.S. Person but not a "U.S. person" under Regulation S. Each Purchaser of Notes, including beneficial interests therein will be deemed to, and in certain circumstances (including as a condition to placing an order relating to the Notes) will be required to, represent and agree that (1) it is

not a Risk Retention U.S. Person (2) it is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) it is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules.

Notwithstanding the foregoing, the Issuer may, with the prior consent of the MBFS, sell a limited portion of the Notes (representing no more than 10 per. cent of the sterling value of the Class A Notes and the Class B Notes) to, or for the account or benefit of, Risk Retention U.S. Persons in accordance with an exemption from the U.S. Risk Retention Rules.

The transaction is not intended to involve the retention of credit risk for purposes of compliance with the U.S. Risk Retention Rules, but rather intends to rely on the exemption under Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions, and no other steps have been taken by the Issuer, the Seller, the Arranger and the Lead Manager or any of their affiliates or any other party to accomplish such compliance.

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 or with respect to MBFS since the date of this Prospectus or the balance sheet date of the most recent financial statements of the Issuer which are deemed to be incorporated into 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, the Arranger and the Lead Manager 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, Prospectus, 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 Seller, the Arranger, the Lead Manager 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 Arranger and the Lead Manager 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*".

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or the UK.

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.

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.

A reference to any EU regulation, EU decision or EU tertiary legislation which is to form part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA 2018**") is to be read, on or after "IP completion day" (as defined in the European Union (Withdrawal Agreement) Act 2020), as a reference to such EU regulation, EU decision or EU tertiary legislation as it forms part of UK law by virtue of the EUWA 2018 and, as it may have been, or may from time to time be amended, modified or re-enacted by UK law and shall include any subordinate legislation made from time to time under that EU regulation, EU decision or EU tertiary legislation as it forms part of UK law by virtue of the EUWA 2018.

A reference to any retained direct EU legislation (as defined in the EUWA 2018) is to be read as a reference to such retained direct EU legislation, as it may have been, or may from time to time be amended, modified or re-enacted by domestic law and shall include any subordinate legislation made from time to time under such retained direct EU legislation.

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

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

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

CONTENTS

Page

RISK FACTORS

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

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. These factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons. Additional risks and uncertainties not presently known to the Issuer or that the Issuer currently believes to be immaterial could also have a material impact on the Issuer's financial strength in relation to its Compartment Silver Arrow UK 2020-2.

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

Various factors that may affect the Issuer's ability to fulfil its obligations under the Notes are categorised below as either (i) risks relating to the Issuer, (ii) risks relating to the Notes, (iii) risks relating to the Purchased Receivables, (iv) risks relating to the Transaction Parties; (v) risks relating to the structure, (vi) legal and regulatory risks relating to the Purchased Receivables; and (vii) legal, macro-economic and regulatory risks relating to the Notes. Several risks may fall into more than one of these seven categories and investors should therefore not conclude from the fact that a risk factor is discussed under a specific category that such risk factor could not also be discussed under one or more other categories.

I. Risks relating to the Issuer

Limited resources of the Issuer

The Company is a special purpose entity organised under and governed by the Luxembourg Securitisation Law and, in respect of Compartment Silver Arrow UK 2020-2, 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 SA UK 2020-2 Documents. Assets and proceeds of the Company in respect of Compartments other than Compartment Silver Arrow UK 2020-2 will not be available for payments under the Notes. Therefore, the ability of the Issuer to meet its obligations under the Notes will depend, *inter alia*, upon receipt of:

- payments of Collections under the Purchased Receivables;
- Recovery Collections;
- any Repurchase Price due from the Seller under the Receivables Purchase Agreement;
- the amount standing to the credit of the General Reserve Account;
- net interest earned on the General Reserve Account and the Operating Account;
- payments, if any, under the other Transaction SA UK 2020-2 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.

Insolvency of the Issuer

The Company is a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg and managed by its directors. Accordingly, bankruptcy proceedings with respect to the Company would likely proceed under, and be governed by, the bankruptcy laws of Luxembourg. Under Luxembourg law, a company is bankrupt ("*en faillite*") when it is unable to meet its current liabilities and when its creditworthiness is impaired.

In particular, under Luxembourg bankruptcy law, certain acts deemed to be abnormal and carried out by the bankrupt party during the so-called "suspect period" may be unenforceable against the bankruptcy estate of such party. Whilst the unenforceability is compulsory in certain cases, it is optional in other cases. The "suspect period" is the period that lapses between the date of cessation of payments (*cessation des paiements*), as determined by the bankruptcy court, and the date of the court order declaring the bankruptcy. The "suspect period" cannot exceed six months.

Under Article 445 of the Luxembourg Code of Commerce: (a) a contract for the transfer of movable or immovable property entered into or carried out without consideration, or a contract or transaction entered into or carried out with considerably insufficient consideration for the insolvent party; (b) a payment, whether in cash or by transfer, assignment, sale, set-off or otherwise for debts not yet due, or a payment other than in cash or bills of exchange for debts due or (c) a contractual or judiciary mortgage, pledge, or charge on the debtor's assets for previously contracted debts, would each be unenforceable against the bankruptcy estate if carried out during the suspect period or ten days preceding the suspect period.

According to Article 61(4) second paragraph of the Luxembourg Securitisation Law and without prejudice to the provisions of the law of 5 August 2005 on financial collateral arrangements, as amended, the validity and perfection of each of the security interests mentioned under item (c) in the above paragraph cannot be challenged by a bankruptcy receiver with respect to Article 445 of the Luxembourg Code of Commerce and such security interests are hence enforceable even if they were granted by the company during the suspect period. However, Article 61(4) second paragraph of the Luxembourg Securitisation Law is only applicable if (i) the articles of incorporation of the company granting the security interests are governed by the Luxembourg Securitisation Law and (ii) the company granted the respective security interest no later than the issue date of the securities or at the conclusion of the agreements secured by such security interest and only to secure its obligations assumed after the securitisation or in favour of its investors.

Under Article 446 of the Luxembourg Code of Commerce, any payments made by the bankrupt debtor in the suspect period may be rescinded if the creditor was aware of the cessation of payment of the debtor.

Under Article 448 of the Luxembourg Code of Commerce, transactions entered into by the bankrupt debtor with the intent to deprive its creditors are null and void (Article 448 of the Code of Commerce), regardless of the date on which they were made.

The Company can be declared bankrupt upon petition by a creditor of the Company or at the initiative of the court or at the request of the Company in accordance with the relevant provisions of Luxembourg insolvency law. The conditions for opening bankruptcy proceedings are the stoppage of payments ("*cessation des paiements*") and the loss of commercial creditworthiness ("*ébranlement du credit commercial*"). The failure of controlled management proceedings may also constitute grounds for opening bankruptcy proceedings. If the above-mentioned conditions are satisfied, the Luxembourg court will appoint a bankruptcy trustee ("*curateur*") who shall be the sole legal representative of the Company and obliged to take such action as he deems to be in the best interests of the Company and of all creditors of the Company. Certain preferred creditors of the Company (including the Luxembourg tax authorities) may have a privilege that ranks senior to the rights of the Noteholders in such circumstances. Other insolvency proceedings under Luxembourg law include controlled management and moratorium of payments ("*gestion controlée et sursis de paiement*") of the Issuer, composition proceedings ("*concordat*") and judicial liquidation proceedings ("*liquidation judicaire*").

While the transaction structure is designed to minimise the likelihood of the Issuer becoming insolvent, there can be no assurance that the Issuer will not become insolvent and/or the subject of insolvency

proceedings and/or that the Noteholders would not be adversely affected by the application of insolvency laws.

Compartments

The Notes will be contractual obligations of the Company solely in respect of Compartment Silver Arrow UK 2020-2. No third party guarantees the fulfilment of the Issuer's obligations under the Notes. Consequently, the Noteholders have no rights of recourse against such third parties. In connection with the above it has also to be noted that, pursuant to Article 62 of the Luxembourg Securitisation Law, where individual compartment assets are insufficient for the purpose of meeting the Company's obligations under a respective issuance, it is not possible for the noteholders in that Compartment's issuance to obtain the satisfaction of the debt owed to them by the Company from assets belonging to another compartment. Consequently, the Noteholders may have the risk of not being able to receive any income in respect of their investment or, at worst, of being unable to recover their initial investment.

Sharing proceeds with other Secured Parties

The proceeds of collection and enforcement of the Security created by the Issuer in favour of the Security Trustee will be distributed in accordance with the applicable Priority of Payments to satisfy claims of all Secured Parties thereunder. If the proceeds are not sufficient to satisfy all obligations of the Issuer certain parties that rank more junior in the applicable Priority of Payments will suffer a Loss. See "*PRE-ENFORCEMENT PRIORITY OF PAYMENTS*" and "*POST-ENFORCEMENT PRIORITY OF PAYMENTS*".

II. Risks relating to the Notes

Liability under the Notes

The Notes will be contractual obligations of the Company solely in respect of Compartment Silver Arrow UK 2020-2. The Notes will not be obligations or responsibilities of, or guaranteed by, any of the Seller, the Servicer (if different), the Note Trustee, the Security Trustee, the Data Trustee, the Paying Agent, the Interest Determination Agent, the Account Bank, the Custodian, the Calculation Agent, the Arranger, the Lead Manager or any of their respective Affiliates or any Affiliate of the Issuer or any other party to the Transaction SA UK 2020-2 Documents (other than the Company solely in respect of its Compartment Silver Arrow UK 2020-2) or any other third person or entity other than the Company. Furthermore, no person other than the Issuer solely in respect of its Compartment Silver Arrow UK 2020-2 will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes. The Company will not be liable whatsoever to the Noteholders in respect of any of its Compartments (or assets relating to such Compartments) other than Compartment Silver Arrow UK 2020-2.

All payment obligations of the Issuer under the Notes constitute exclusively obligations to pay out the sums standing to the credit of the Distribution Account, the General Reserve Account, the Swap Collateral Account and the proceeds from the Security, in each case in accordance with the applicable Priority of Payments. If, following the enforcement of the Security, the Available Distribution Amount proves ultimately insufficient, after payment of all claims ranking in priority to amounts due under the Notes, to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes, any shortfall arising will be extinguished and the Noteholders will neither have any further claim against the Issuer in respect of any such amounts nor have recourse to any other person for the Loss sustained. The enforcement of the Security by the Security Trustee is the only remedy available to the Noteholders for the purpose of recovering amounts payable in respect of the Notes. Such assets and the Available Distribution Amount will be deemed to be "ultimately insufficient" at such time as no further assets are available and no further proceeds can be realised therefrom to satisfy any outstanding claim of the Noteholders, and neither assets nor proceeds will be so available thereafter.

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 and the underlying Purchased Receivables, the credit quality of the Portfolio, the extent to which the Obligors' payments under the Purchased Receivables are sufficient to make the payments required under the Notes as well as other relevant features of the structure, including,

inter alia, the credit quality of the Issuer Account Bank, the Seller and the Servicer (if different). The Rating Agencies' rating reflects only the view of the Rating Agencies. Each rating assigned to the Class A Notes addresses the likelihood of full and timely payment to the Class A Noteholders of all payments of interest on the Class A Notes on each Payment Date and the ultimate payment of principal on the Legal Maturity Date of 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 Issuer 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.

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 (i) Compounded Daily SONIA (the "**Applicable Benchmark Rate**"), plus (ii) the applicable margin (the sum of (i) and (ii) is subject to a floor of zero) as set out in the Conditions. In the event that the Applicable Benchmark Rate were to fall to a negative rate which exceeds the margin, the Class A Noteholders will not receive any interest payments on the Class A Notes.

Interest Rate Risk/Risk of Swap Counterparty Insolvency

Payments in respect of the Purchased Receivables made to the Seller by an Obligor under a Financing Contract comprise monthly amounts calculated with respect to a fixed interest rate which may be different to the Applicable Benchmark Rate 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 an ISDA Master Agreement, the associated schedule, a confirmation and a credit support annex.

Pursuant to the Swap Agreement entered into by the Issuer and the Swap Counterparty (which shall be an Eligible Swap Counterparty) in relation to the Class A Notes, the Issuer will pay to the Swap Counterparty on each Payment Date an amount equal to the product of (i) the Swap Notional Amount and (ii) the Swap Fixed Rate and (iii) the Day Count Fraction.

In return, the Swap Counterparty will pay to the Issuer on each Payment Date an amount equal to the product of (i) the Swap Notional Amount and (ii) a rate equal to the Applicable Benchmark Rate and (iii) the Day Count Fraction.

During those periods in which the floating rate payable by the Swap Counterparty under the Swap Agreement is substantially greater than the fixed rate payable by the Issuer under the Swap Agreement, the Issuer will be more dependent on receiving payments from the Swap Counterparty in order to make interest payments on the Notes. If the Swap Counterparty fails to pay any amounts when due under the Swap Agreement, the Collections from Purchased Receivables and the General Reserve Account 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 Notes.

During periods in which the floating rate payable by the Swap Counterparty under the Swap Agreement is less than the fixed rate payable by the Issuer under the Swap Agreement, the Issuer will be obliged to make a payment to the Swap Counterparty. The Swap Counterparty's claims for payment (including certain

termination payments required to be made by the Issuer upon a termination of a Swap Agreement) under the Swap Agreement will be higher in priority than all payments on the Notes. If a payment under the Swap Agreement is due to the Swap Counterparty on any Payment Date, the Purchased Receivables and the General Reserve Account 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 under the Class A Notes.

Notwithstanding the foregoing, in the event the rate equal to the Applicable Benchmark Rate calculated under the Swap Agreement is negative for any given calculation period such that the floating amount due and payable by the Swap Counterparty to the Issuer would be a negative amount, the payment obligation in respect of such calculation period and such negative amount will be reversed such that:

(a) the Swap Counterparty is not required to pay to the Issuer the absolute value of such negative amount; and

(b) the Issuer shall instead pay to the Swap Counterparty the absolute value of such negative amount.

Changes to such rate may therefore adversely affect payments to be made under the Swap Agreement, which could result in the Issuer having insufficient amounts available to it to make required payments on the Class A Notes and as a result the Noteholders may experience delays and/or reductions in the interest and principal payments under the Notes.

Absence of secondary market liquidity and market value of the Notes

Although application will be made to the Luxembourg Stock Exchange for the Notes to be listed on the official list and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, there is currently no secondary market for the Notes. There can be no assurance that there will be bids and offers and that a liquid secondary market for the Notes will develop or that a market will develop for the Notes or, if it develops, that it provides sufficient liquidity to absorb any bids, 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 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.

Market development in relation to SONIA as a reference rate for the Class A Notes

As noted above, the interest rate payable by the Issuer with respect to the Class A Notes is Compounded Daily SONIA (the "**Applicable Benchmark Rate**").

Various interest rate benchmarks (including the London inter-bank offered rate ("**LIBOR**")) are the subject of recent national and international regulatory guidance and proposals for reform most recently in the form of the Benchmarks Regulation. Under the Benchmarks Regulation, which applied as from 1 January 2018 in general, new requirements apply with respect to the provision of a wide range of benchmarks (including LIBOR), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the Benchmarks Regulation will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevent certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, deemed equivalent or recognised

or endorsed). The scope of the Benchmarks Regulation is wide and applies to many interest rates, foreign exchange rate indices and other indices where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue (EU regulated market, EU multilateral trading facility, EU organised trading facility) or via a systematic internaliser, certain financial contracts and investment funds. Based on the foregoing, investors should be aware that any of these reforms or pressures described above or any other changes to a relevant interest rate benchmark could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be, or may cause such benchmarks to be discontinued entirely or to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted.

Compounded Daily SONIA is a backwards-looking, compounded, risk-free overnight rate. The use of Compounded Daily SONIA as a reference rate for debt securities is nascent, and is subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing Compounded Daily SONIA.

Accordingly, prospective investors in the Notes should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. For example, in the context of backwards-looking SONIA rates, market participants and relevant working groups are currently assessing the differences between compounded rates and weighted average rates, and such groups are also exploring forward-looking 'term' SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The adoption of SONIA may also see component inputs into swap rates or other composite rates transferring from LIBOR or another reference rate to SONIA.

The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions. The development of Compounded Daily SONIA as an interest reference rate for the debt securities markets, as well as continued development of SONIA-based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Notes.

Furthermore, the Class A Interest Rate is only capable of being determined at the end of the relevant Interest Period and immediately prior to the relevant Payment Date. It may be difficult for investors in the Notes to estimate reliably the amount of interest which will be payable on the Notes, and some investors may be unable or unwilling to trade the Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of the Notes. Further, if the Notes become due and payable as a result of an Event of Default, or are otherwise redeemed early on a date which is not a Payment Date, the final Class A Interest Rate payable in respect of the Class A Notes shall only be determined immediately prior to the date on which the Notes become due and payable.

In addition, the manner of adoption or application of SONIA reference rates in the debt securities 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 Notes.

Investors should carefully consider these matters when making their investment decision with respect to any of the Notes.

It is not possible to ascertain as at the date of this Prospectus (i) what the impact of these initiatives and the reforms will be on the determination of SONIA in the future, which could adversely affect the value of the Notes, (ii) how such changes may impact the determination of SONIA for the purposes of the Notes and the Swap Agreement, (iii) whether any changes will result in a sudden or prolonged increase or decrease in SONIA rates, or (iv) whether such changes will have an adverse impact on the liquidity or the market value of the Notes and the payment of interest thereunder.

Investors should note that:

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

(b) if the Applicable Benchmark Rate is discontinued and an amendment as described in paragraph (c) below has not been made, then the rate of interest on the Class A Notes will be determined for each applicable interest period by the fall-back provisions provided for under Condition 4(d) (*Benchmark Rate Determinations*), although such provisions, being dependent in part upon the provision by the Bank of England's Bank Rate, may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time) and may result in the effective application of a fixed rate based on the rate which applied in the previous period when the Applicable Benchmark Rate was available;

(c) while an amendment may be made under Condition 12(b) (*Amendments and waiver*) to change the Applicable Benchmark Rate on the Class A Notes to an alternative benchmark rate under certain circumstances broadly related to Applicable Benchmark Rate's 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 will (i) fully or effectively mitigate interest rate risks or result in an equivalent methodology for determining the interest rates on the Class A Notes or (ii) be made prior to any date on which any of the risks described in this risk factor may become relevant; and

(d) if the Applicable Benchmark Rate is discontinued, 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 (c) above, there can be no assurance that the applicable fall-back provisions under the Swap Agreement would operate so as to ensure that the base floating interest rate used to determine any payments made by the Swap Counterparty under the Swap Agreement is the same as that used to determine interest payments under the Class A Notes, or that the Swap Counterparty would consent to any change to the benchmark rate under the Swap Agreement in accordance with Condition 12(b) (*Amendments and waiver*) or that any such change would allow the transactions under the Swap Agreement to effectively mitigate interest rate risk on the Class A Notes.

Investors should note the various circumstances under which a change to the benchmark rate may be made, which are specified in paragraphs (aa) to (ii) of Condition 12(b)(ii)(7)(A). As noted above these events broadly relate to the Applicable Benchmark Rate's disruption or discontinuation, but also include, *inter alia*, any public statements by the relevant Applicable Benchmark Rate's administrator or its supervisor to that effect, and a Benchmark Rate Modification may also be made if the Issuer (or the Servicer on its behalf) reasonably expects certain of these events to occur within six months of the proposed effective date of such Benchmark Rate Modification or if the calculation agent (appointed under the Swap Agreement) makes adjustments to the Swap Agreement to ensure its legal and commercial efficacy as described above. Investors should also note the various options permitted as an Alternative Benchmark Rate as set out in paragraphs (aa) to (cc) of Condition 12(b)(ii)(7)(C), which include such benchmark rate as the Issuer (or the Servicer on its behalf) reasonably determines. Investors should also note the negative consent requirements in relation to a Benchmark Rate Modification (as to which see *RISK FACTORS – Risks relating to the structure (Meetings of Noteholders, modification and waivers)* above).

When implementing any Benchmark Rate Modification, the Note Trustee shall not consider the interests of the Noteholders, any other Secured Party or any other person and shall act and rely solely and without further investigation on any certificate (including but not limited to a Benchmark Rate Modification Certificate) or other evidence (including, but not limited to a Rating Agency Confirmation) provided to them by the Issuer or Servicer, as the case may be, pursuant to Condition 12(b) (*Amendments and waiver*) and shall not be liable to the Noteholders, any other Secured Party or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person.

More generally, any of the above matters (including an amendment to change the Applicable Benchmark Rate as described in paragraph (c) above) or any other significant change to the setting or existence of the Applicable Benchmark Rate could affect the ability of the Issuer to meet its obligations under the Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Changes in the manner of administration of the Applicable Benchmark Rate could result in adjustment to the Conditions, early redemption, discretionary valuation by the Interest Determination Agent, delisting or other consequence in relation to the Notes. No assurance may be provided that relevant changes will not be made to the Applicable Benchmark Rate or any other relevant benchmark rate and/or that such

benchmarks will continue to exist. Investors should consider these matters when making their investment decision with respect to the Notes.

The Bank of England released a discussion paper in February 2020 entitled "*Supporting Risk-Free rate transition through the provision of compounded SONIA*" pursuant to which the Bank stated its intention to publish a daily SONIA compounded index and a set of compounded SONIA period averages, an approach similar to that already taken by the Federal Reserve bank of New York in respect of SOFR. This means that a screen rate based on an observable publicly available average rate or index may evolve over time but there is no guarantee of this. The Bank of England began publishing a SONIA compounded index from 3 August 2020.

Limitation of Time

Claims arising from a Note, i.e. claims to interest and principal cease to exist with the expiration of five years after the Legal Maturity Date, unless the note is submitted to the Issuer for redemption prior to the expiration of five years after the Legal Maturity Date.

III. Risks relating to the Purchased Receivables

Non-existence of Purchased Receivables

If any Purchased Receivable did not exist at the time of its transfer to the Issuer under the Receivables Purchase Agreement or ceases to exist in accordance with the Receivables Purchase Agreement, the Issuer is entitled to demand that the Seller repurchase such Purchased Receivable and pay to the Issuer a Repurchase Price in an amount equal to the then Outstanding Receivables Amount of such Purchased Receivable. If a Financing Contract relating to a Purchased Receivable proves not to have been legally valid as of the Cut-Off Date, the Seller will, pursuant to the Receivables Purchase Agreement, repurchase such Purchased Receivable and pay to the Issuer a Repurchase Price in an amount equal to the then Outstanding Receivables Amount of such Purchased Receivable. If any Purchased Receivables do not exist and no Repurchase Price is paid by the Seller, then this may result in Losses for the Noteholders.

Risk of Losses on the Purchased Receivables

Losses on the Purchased Receivables may result in Losses for the Noteholders.

The risk to the Class A Noteholders that they will not receive the amount due to them under the Class A Notes as stated on the cover page of this Prospectus is covered up to the General Reserve Required Amount, subject to any parties senior to the Class A Noteholders being entitled to such amounts pursuant to the applicable Priority of Payments and such risk is mitigated by the investments of principal of the Class B Notes as such investments are subordinated to the Class A Notes.

The risk to the Class B Noteholders that they will not receive the amount due to them under the Class B Notes as stated on the cover page of this Prospectus is covered up to the General Reserve Required Amount, subject to any parties senior to the Class B Noteholders being entitled to such amounts pursuant to the applicable Priority of Payments.

There is no assurance that the Class A Noteholders will receive for each Class A Note the total principal amount of GBP 500,000,000.00 plus interest calculated at an interest rate of the Applicable Benchmark Rate plus 0.58% per annum, the sum being subject to a floor of zero. As interest is calculated using the Applicable Benchmark plus a margin (a floating rate), the expected yield of the Class A Notes cannot be provided.

There is no assurance that the Class B Noteholders will receive for each Class B Note the total principal amount of GBP 176,000,000.00 plus interest (yield) calculated at an interest rate of 1.30% per annum.

Performance of Purchased Receivables Uncertain

The payment of principal and interest 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.

The performance of the Purchased Receivables depends on a number of factors, including general economic conditions, unemployment levels, the circumstances of individual Obligors (such as may result from epidemic infectious diseases like the current outbreak of coronavirus disease 2019 ("**COVID-19**")), MBFS's underwriting standards at origination and the success of MBFS'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.

Risk of Early Repayment

In the event that the Financing Contracts 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 Financing Contract. In addition, faster than expected repayments on the Purchased Receivables may reduce the yield of the Noteholders.

Risk of Late Payment of Monthly Instalments

Whilst each Financing Contract has due dates for scheduled payments thereunder, there is no assurance that the Obligors under those Financing Contracts will pay in time, or at all. Obligors may default on their obligations due under the Financing Contracts for a variety of financial and personal reasons, including loss or reduction of earnings, illness, divorce and other similar factors which may, individually or in combination lead to an increase in delinquencies by and bankruptcies of the Obligors. Certain national and international macroeconomic factors may also contribute to or hinder the economic health of a Lessee and thus the economic performance of the Purchased Receivables. Any such failure by the Obligors to make payments under the Financing Contracts would have an adverse effect on the Issuer's ability to make payments under the Notes. The General Reserve Account in part mitigates the risk of late payment by Obligors. Prior to the delivery of an Enforcement Notice in the event of shortfalls under the Purchased Receivables the Issuer may draw on amounts standing to the credit of the General Reserve Account to make payments in respect of the 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.

Right to Financed Vehicles and reliance on residual value

Under Financing Contracts which are PCP Contracts, at the end of the term of the PCP Contract, an Obligor may either settle the contract by paying the Optional Final Payment and the related administrative fees (and thereby purchase the Financed Vehicle) or, subject to the Financed Vehicle being in a condition acceptable to MBFS and within the agreed mileage, return the Financed Vehicle to MBFS in full and final settlement of the PCP Contract. If the Obligor decides not to make the Optional Final Payment and instead returns the Financed Vehicle to MBFS, MBFS will be under an obligation pursuant to the Receivables Purchase Agreement to sell the Financed Vehicle and to remit the proceeds of such sale to the Issuer. There can be no assurance, however, that MBFS will be able to sell the related Financed Vehicle such that the proceeds remitted to the Issuer from the sale of Financed Vehicle returned by a Customer in lieu of a final balloon payment will be sufficient to cover the residual value of the Financed Vehicle as anticipated at the outset of the Financing Contract. 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. See also "*RISK FACTORS – Risks relating to the Purchased Receivables (Rights in relation to the Vehicles)"* below.

Reliance on Seller Receivables Warranties and Eligibility Criteria

If the Seller Receivables Warranties given by the Seller in the Receivables Purchase Agreement in respect of the Portfolio and each Receivable (and its Ancillary Rights), in whole or in part, incorrect or if the Receivables (and, where applicable their Ancillary Rights) do not comply with the Eligibility Criteria on the Cut-Off Date, this shall constitute a breach of contract under the Receivables Purchase Agreement and the Issuer will have contractual remedies against the Seller. In the case of any related misrepresentation or breach of any Eligibility Criterion, the Seller will be required to pay a Repurchase Price to the Issuer (see the definition of Repurchase Price in the "*MASTER DEFINITIONS SCHEDULE — Repurchase Price*").

Consequently, in the event that any such representation or warranty is breached, the Issuer is exposed to the credit risk of the Seller. Should the Seller's credit quality deteriorate, this could, in conjunction with afore-said breach of contract, undermine the Issuer's ability to make payments on the Notes.

Reliance on Credit and Collection Policy

The Servicer will carry out the administration, collection and enforcement of the Purchased Receivables in accordance with the Servicer's Credit and Collection Policy. 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 OTHER PRINCIPAL TRANSACTION SA UK 2020-2 DOCUMENTS — Servicing Agreement*" and "*THE SELLER, THE SERVICER AND THE SUBORDINATED LENDER — Credit and Collection Policy*".

No independent investigation and limited information

None of the Arranger, the Lead Manager, the Note Trustee, the Security Trustee, the Issuer or any other person referred to herein (other than the Seller but only as explicitly described herein) has undertaken or will undertake any investigations, searches or other actions to verify any details in respect of the Purchased Receivables or the Financing Contracts or to establish the creditworthiness of any Obligor. Each of the afore-mentioned persons will rely solely on the accuracy of the representations and warranties and the financial information given by the Seller to the Issuer in the Receivables Purchase Agreement in respect of, *inter alia*, the Purchased Receivables, the Obligors, the Financing Contracts underlying the Purchased Receivables and the Financed Vehicles. The benefit of the representations and warranties given to the Issuer will be transferred by the Issuer to the Note Trustee, the Security Trustee for the benefit of the Secured Parties under the Deed of Charge.

The Seller is under no obligation and will not provide the Arranger, the Lead Manager, the Note Trustee, the Security Trustee or the Issuer with the names or the identities of the Obligors and copies of the relevant Financing Contracts and legal documents in respect of the relevant Financing Contract. The Arranger, the Lead Manager and the Issuer will only be supplied with financial information in relation to the Portfolio and the underlying Financing Contracts. Furthermore, none of the Arranger, the Lead Manager, the Note Trustee, the Security Trustee or the Issuer will have any right to inspect the Purchased Receivable Records of the Seller. However, pursuant to the terms of the Data Trust Agreement, the Issuer and the Security Trustee may at any time, if any of them has reasonable grounds, demand from the Data Trustee an investigation of the Purchased Receivable Records of the Seller and may request that the Data Trustee informs them about the results of its investigation **provided that** (i) the Data Trustee shall be entitled (and, where the nature of the investigation so requires, obligated) to sub-contract all or certain tasks related to the investigation to a reputable law firm or reputable accounting firm as expert and (ii) **provided further that** the Data Trustee may not disclose to the Issuer or the Security Trustee the names or the identities of the Obligors and copies of the relevant Financing Contracts and legal documents in respect of the relevant Financing Contract.

The primary remedy of the Security Trustee and the Issuer for breaches of any Eligibility Criteria as of the Cut-Off Date or Seller Receivables Warranties as of the Purchase Date will be to require the Seller to pay a Repurchase Price in an amount equal to the Outstanding Receivables Amount of such Purchased Receivables (or the affected portion thereof) on the date of payment of the Repurchase Price. There can be no assurance that the Seller will honour or have the financial resources to honour such obligations under the Receivables Purchase Agreement. If the Seller does not honour such obligations for any reason, this may result in the Issuer receiving less in respect of the related Purchased Receivable than it would have expected, which could impact on the ability of the Issuer to make payments on the Notes.

Market value of Financed Vehicles

There is evidence of a general degradation in residual values in the UK used car market as a result of the existing economic cycle. This is likely to impact the residual values of MBFS' portfolio in the short term and beyond. MBFS is continually monitoring the residual values of its portfolio through robust, well-established and business as usual monitoring processes, with the appropriate level of provisioning being maintained.

Geographical concentration of the Obligors

The Obligors in respect of the Purchased Receivables are located throughout the UK. These Obligors may be concentrated in certain locations, such as densely populated or industrial areas (for more information see the Portfolio Information – Distribution by Customer Region set out in the section titled "*Portfolio Characteristics and Historical Data*"). Deterioration in the economic condition of the areas in which the Obligors are located may have an adverse effect on the ability of the Obligors to make payments of the Purchased Receivables. This may, in turn, increase the risk of losses on the Purchased Receivables. A concentration of Obligors in certain areas may, therefore, result in a greater risk that the holders of Notes may ultimately not receive the full principal amount of the Notes and interest thereon.

IV. Risks relating to the Transaction Parties

Reliance on third parties

The Issuer is party to contracts with a number of other third parties who have agreed to perform services in relation to the 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 SA UK 2020-2 Documents to perform their contractual obligations. In particular, and without limiting the generality of the foregoing, the timely payment of amounts due in respect of the Notes depends on the ability of the Servicer to service the Purchased Receivables and on the maintenance of the level of interest rate protection offered by the Swap Agreement.

No assurance can be given as to the credit worthiness of these parties or that the credit worthiness will not decline in the future. This may affect the performance of their respective obligations under the respective Transaction SA UK 2020-2 Documents. In the event that any of the Transaction Parties were to fail to perform its obligations under the respective agreement(s) to which it is a party, payments on the Notes may be adversely affected. Investors should also be aware that third parties on which the Issuer relies may be adversely impacted by the general economic climate (including any failure arising from circumstances beyond their control such as epidemics (for example, COVID-19, which has led to many organisations either closing or implementing policies requiring their employees to work at home, which could result in delays or difficulties in performing otherwise routine functions)). In particular, it may affect the administration, collection and enforcement of the Purchased Receivables by the Servicer in accordance with the Servicing Agreement.

However, the credit risk mentioned above is mitigated by certain credit sensitive triggers. For example, it shall constitute a Servicer Termination Event if, *inter alia*, the Servicer or the Seller is Insolvent or the Seller or the Servicer fails to perform a material obligation which, if capable of cure, is not remedied within twenty (20) Business Days of notice from the Issuer or the Security Trustee. The Issuer Account Bank has to have the Required Rating.

Risks relating to the Servicer

The Servicer will be appointed by the Issuer to service the Purchased Receivables. Consequently, 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 that standard of care that the Servicer would exercise in its own affairs, taking into account the degree of skill that it exercises for all comparable assets. However, the Servicer will also continue to perform debt collection services for its own account and therefore will not be exclusively dedicated to the performance of the Servicer's activities under the Servicing Agreement. See "*OVERVIEW OF THE OTHER PRINCIPAL TRANSACTION SA UK 2020-2 DOCUMENTS — Servicing Agreement*" and "*THE SELLER, THE SERVICER AND THE SUBORDINATED LENDER — Credit and Collection Policy*".

If the appointment of the Servicer is terminated, the Issuer has the right to appoint a successor Servicer pursuant to the Servicing Agreement. Even though the Calculation Agent has agreed that it will facilitate the appointment of a suitable entity with all necessary facilities available to act as 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 terms of the Servicing Agreement, with the parties to the Servicing Agreement upon receipt of a notice by the Servicer of the occurrence of a Servicer Termination Event, there is no

assurance that an appropriate successor Servicer can be found and hired in the required time span and that this does not have a negative impact on the amount and the timing of the Collections made.

Commingling risk

The Servicer is entitled to commingle funds representing Collections with its own funds during each Interest Period such that:

(i) If and so long as the Commingling Condition is satisfied, the Servicer will be required to remit all Collections standing to the credit of the Seller Collection Account in respect of a Collection Period, to the Operating Account on the Payment Date relating to such Collection Period; and

(ii) If and so long as the Commingling Condition is not satisfied, the Servicer will be required to remit all Collections standing to the credit of the Seller Collection Account in respect of a Collection Period, to the Operating Account within two (2) Business Days after the receipt thereof or as otherwise directed by the Issuer or the Security Trustee.

If the Servicer was unable to remit these funds or was to become Insolvent, losses or delays in distributions to Noteholders may occur.

The Note Trustee is not obliged to act in certain circumstances

Following an Issuer Event of Default and the service of an Enforcement Notice in accordance with Condition 10 (*Events of Default*) 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 as directed by the Controlling Class acting by way of a Written Resolution or by way of an Extraordinary Resolution.

The Note Trustee may at any time, at its discretion and will do so if it has been directed to do so by the Controlling Class acting by way of a Written Resolution or by way of an Extraordinary Resolution, (subject to having been indemnified and/or secured and/or prefunded 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 Transaction SA UK 2020-2 Documents or these Conditions and/or take any other proceedings (including lodging an appeal in any proceedings) with respect to or concerning the Issuer;

(ii) exercise any of its rights under, or in connection with any Transaction SA UK 2020-2 Document; and/or

(iii) give any directions to the Security Trustee under or in connection with any Transaction SA UK 2020-2 Document.

To the extent that the Note Trustee acts in accordance with such directions of the Controlling Class, 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.

V. Risks relating to the structure

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 **provide that** the Note Trustee may, subject to those matters requiring a Special Quorum Resolution, without consulting or obtaining the consent of the Noteholders or the other Secured Parties at any time and from time to time concur with the Issuer in making any amendment, modification or supplement to the Trust Deed, the Deed of Charge or any other Transaction SA UK 2020-2 Document to which it is a party or in respect of which the Security Trustee holds security if the Note

Trustee determines that, subject to the detailed provisions of the Trust Deed, (1) such amendment or supplement will not be materially prejudicial to the interests of the Noteholders (subject to Condition 2(h) (*Relationship between the Classes of the Notes*)) or (2) such amendment or supplement is of a formal, minor or technical nature or is made to correct a manifest error or to comply with law.

The Notes and the Trust Deed also specify that certain categories of amendment (including modifying the provisions concerning the quorum required at a meeting or the majority required to pass an Extraordinary Resolution) would be classified as a Special Quorum Resolution. A Special Quorum Resolution is subject to an increased quorum requirement and is required to be sanctioned by an Extraordinary Resolution of the holders of the relevant Classes of Notes which are affected by such Special Quorum Resolution.

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 or sanction of the Noteholders (subject to (save in respect of a Modification pursuant to Condition 12(b)(ii)(6)) the requirements of Conditions 12(b)(ii)(8) to (10)) or the other Secured Parties, but subject to the receipt of written consent from each of the Secured Parties party to the Transaction SA UK 2020-2 Document being modified, to concur with the Issuer in making any modification to the Conditions and/or any Transaction SA UK 2020-2 Document that the Issuer considers necessary or (in the case of Condition 12(b)(ii)(7) only) advisable for the purpose of:

(1) addressing any change in the criteria of one or more Rating Agencies, so as to maintain the credit ratings then assigned to the Class A Notes;

(2) ensuring compliance by Issuer, any Secured Creditor or the Notes with mandatory provisions of applicable law or regulation (including, without limitation, the EU Retention Requirements);

(3) enabling the Notes to be (or to remain) listed on the Luxembourg Stock Exchange;

(4) 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;

(5) ensuring compliance by the Issuer or any other Transaction Party with any changes which are required to comply with the Securitisation Regulation, including as a result of the adoption of regulatory or implementing technical standards in relation to the Securitisation Regulation or any other legislation or regulations or official guidance in relation thereto;

(6) ensuring compliance with EMIR and/or the then subsisting technical standards under EMIR, or SFTR and/or the then subsisting technical standards under SFTR; or

(7) changing the benchmark rate on the Class A Notes from the Applicable Benchmark Rate 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 there has been or there is reasonably expected to be a material disruption or cessation to the Applicable Benchmark Rate (including changing the benchmark rate referred to in any interest rate hedging agreement to align such rate with the proposed change to the Applicable Benchmark Rate in respect of such Notes or other such consequential amendments);

In relation to any amendment under (1) to (5) and (7) above (a "**Proposed Amendment**"), the Issuer is required to give at least forty (40) calendar days' notice to the Noteholders of each Class of Notes of the proposed modification in accordance with Condition 15 (*Notices*). However, Noteholders should be aware that, in relation to each Proposed Amendment, unless Noteholders representing at least 10% of the of the principal amount of the Controlling Class outstanding on the Modification Record Date have contacted the Issuer in writing (or in any other manner as the Registrar and Clearstream, Luxembourg and/or Euroclear, as the case may be, approve for this purpose) within such notification period notifying the Issuer or the Note Trustee that such Noteholders do not consent to the Modification or Benchmark Rate Modification, the modification in respect of such Class of Notes will be passed without Noteholder consent.

If Noteholders representing at least 10% of the principal amount of the Controlling Class outstanding on the Modification Record Date have notified the Issuer or the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the Modification, then such Modification will not be made unless an Extraordinary Resolution of the holders of the most senior

class of Notes outstanding on the Modification Record Date is passed in favour of such Modification in accordance with Schedule 4 (*Provisions for Meetings of the Noteholders*) to the Trust Deed.

The Issuer, the Note Trustee and the Security Trustee will each 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 is acting in a commercially responsible manner or be liable to any person by acting in accordance with any certification it receives from the Servicer.

Conflicts of Interest

In connection with Transaction UK 2020-2, the Seller will also be acting as Servicer, the Calculation Agent will also be acting as the Paying Agent, the Interest Determination Agent, the Custodian and the Security Trustee will also be acting as Note Trustee. These parties will have only those duties and responsibilities assumed under the Transaction SA UK 2020-2 Documents, and will not, by virtue of their or any of their Affiliates acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than those under each Transaction SA UK 2020-2 Document to which they are a party. All Transaction UK 2020-2 Parties (other than the Issuer) may enter into other business dealings with each other or the Company (in respect of Compartments other than Compartment Silver Arrow UK 2020-2) from which they may derive revenues and profits without any duty to account therefore in connection with Transaction UK 2020-2.

The Servicer may hold or service claims (for third parties) against the Obligors other than the Purchased Receivables.

The wider interests or obligations of the afore-mentioned parties may therefore conflict with the interests of the Noteholders.

The afore-mentioned parties may engage in commercial relations, in particular, be lender, provide general banking, investment and other financial services to the Obligors, the Company (in respect of Compartments other than Compartment Silver Arrow UK 2020-2) and other parties to Transaction UK 2020-2. The Corporate Services Provider may provide corporate, administrative or other services to other entities.

In such relations, the afore-mentioned parties are not obliged to take into account the interests of the Noteholders. Accordingly, because of these other relations, potential conflicts of interest may arise in respect of Transaction UK 2020-2.

Equitable Assignment

The assignment by MBFS to the Issuer of the benefit of the Receivables (and the Ancillary Rights) derived from Financing Contracts governed by the laws of England and Wales and Northern Ireland 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 encumbrance or assignee of MBFS'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 MBFS as creditor under the Financing Contract but should make payment instead to the Issuer. If the Obligor were to ignore a notice of assignment and pay MBFS for its own account, the Obligor might still be liable to the Issuer for the amount of such payment. However, for so long MBFS remains the Servicer under the Servicing Agreement, MBFS 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 MBFS in respect of the Purchased Receivables;

(c) notice to the Obligor would prevent MBFS and the Obligor amending the relevant Financing Contract without the involvement of the Issuer. However, MBFS will undertake for the benefit of the Issuer that MBFS will not waive any breach under, or amend the terms of, any of the Financing Contracts, other than in accordance with the Credit and Collection Policy; and

(d) lack of notice to the Obligor means that the Issuer will have to join MBFS as a party to any legal action which the Issuer may want to take against any Obligor. MBFS as Seller will, however, undertake for the benefit of the Issuer that MBFS 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 MBFS grants the Issuer a power of attorney in this regard (the "**MBFS 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 "*RISK FACTORS - Legal and regulatory risks relating to the Purchased Receivables (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 Financing Contract. 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 and exercise of such equitable set-off rights may adversely affect the Issuer's ability to make payments in full when due on the Notes.

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

Scottish Receivables

Certain of the Financing Contracts (which are expressly governed by English law) have been entered into with Obligors who are (a) consumers and (b) located in Scotland and certain of the Vehicles financed pursuant to the Financing Contracts are located in Scotland. In such circumstances, there is a risk that the Scottish courts could apply Scots law based on regulations 5 and 8 of the Unfair Terms in Consumer Contracts Regulations 1999 and from 1 October 2015 the Consumer Rights Act 2015.

If a Scottish court were to declare that a Financing Contract was in fact governed by Scots law, the Scots court may declare that such Financing Contract had always been governed by Scots law, and that such Financing Contract 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 Financing Contracts governed by Scots law sold by MBFS in its capacity as Seller to the Issuer may not be considered to be a valid transfer by the Scots courts.

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

The Vehicle Sale Proceeds Floating Charge crystallises on the occurrence of the appointment of a receiver by the floating charge holder (the ability to do so arising on the Seller becoming Insolvent) or the appointment of a liquidator in respect of MBFS. The primary purpose of the Vehicle Sale Proceeds Floating Charge is to create a statutory preference for the Issuer over other unsecured creditors of MBFS.

In relation to Vehicle Sale Proceeds arising from the sale of any Vehicles located in Scotland, the claims of the Issuer will be subject to the matters which are given priority over a floating charge by law, including (*inter alia*) the expenses of any administration or winding-up (which could include any corporation tax charges), the claims of preferential creditors and (up to an amount equal to GBP 600,000) a portion of the claims of unsecured creditors. Furthermore, where the floating charge does not take effect as a fixed charge following crystallisation, the Issuer will no longer have priority in a claim against the Vehicle Sale Proceeds with respect to third party creditors (in particular, any execution creditors) of the Seller.

Further, if liquidation or administration proceedings were to be commenced in England and Wales with respect to MBFS within 12 months of the Issue Date and it is determined that MBFS was unable to pay its debts at the time the floating charge was granted or became unable to do so in consequence of the transaction under which the charge is created, under section 245 of the Insolvency Act 1986, the floating charge will be valid only to the extent of the value of so much of the consideration as consists of money paid, or goods and services supplied, to MBFS at the same time as, or after, the creation of the charge. Following the creation of the floating charge in favour of the Issuer, on the Issue Date, MBFS will receive the Initial

Purchase Price in proceeds from the sale of the Receivables (and the Ancillary Rights), and on each Payment Date, subject to the Priority of Payments, the Deferred Consideration, being consideration received pursuant to the Receivables Purchase Agreement in respect of the sale of the Receivables (and the Ancillary Rights) comprised in the Portfolio to the Issuer.

The consideration for the sale of the Receivables (and the Ancillary Rights) and the granting of the Vehicle Sale Proceeds Floating Charge comprises the relevant purchase price and therefore the floating charge granted by MBFS will stand as security to the extent of such monies received.

Termination of Swap Agreement

The Swap Counterparty may terminate a Swap Agreement if, among other things, the Issuer becomes Insolvent, the Issuer fails to make a payment under the Swap Agreement when due and such failure is not remedied within the period of time specified in the relevant Swap Agreement, performance of the Swap Agreement becomes illegal, an Enforcement Event occurs under the Conditions, payments to the respective Swap Counterparty are reduced or payments from the respective Swap Counterparty are increased for a set period of time due to tax reasons or the Clean-Up Call is exercised. The Issuer may terminate a Swap Agreement if, among other things, such Swap Counterparty becomes Insolvent, such Swap Counterparty fails to make a payment under the Swap Agreement when due and such failure is not remedied within three (3) Business Days of notice of such failure being given, performance of the Swap Agreement becomes illegal. The transaction under the Swap Agreement will terminate upon redemption of the Notes in full.

The Issuer is exposed to the risk that a Swap Counterparty may become Insolvent or may suffer from a ratings downgrade. In the event that a Swap Counterparty suffers a ratings downgrade and ceases to be an Eligible Swap Counterparty, the Issuer may terminate the related Swap Agreement if such Swap Counterparty 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 Counterparty collateralising its obligations as a referenced amount calculated in accordance with a credit support annex to the 1992/2002 ISDA Master Agreement, transferring its obligations to a replacement Swap Counterparty or procuring a guarantee. However, in the event such Swap Counterparty is downgraded there can be no assurance that a guarantor or replacement Swap Counterparty will be found or that the amount of collateral will be sufficient to meet the Swap Counterparty's obligations.

Termination payment priorities and subordination

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

In the event that a Swap Agreement is terminated by either party due to an event of default or a termination event, then depending upon the market value of the swap a termination payment may be due to the Issuer or to the Swap Counterparty. Any such termination payment could, if market interest rates and other conditions have changed materially, be substantial. Under certain circumstances, termination payments required to be made by the Issuer to such Swap Counterparty will rank higher in priority than all payments on the Notes. In such event, the Purchased Receivables and the General Reserve Account may be insufficient to satisfy the required payments under the relevant Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments due in respect of the Notes.

If a Swap Agreement is terminated by either party or the Swap Counterparty becomes Insolvent, the Issuer may not be able to enter into a replacement Swap Agreement immediately or at all. To the extent a replacement swap is not on a timely basis entered into, the amount available to pay the principal of and interest under the Notes will be reduced if the interest rates under such Notes exceed the rate the Issuer would have been required to pay the Swap Counterparty under the terminated Swap Agreement. Under these circumstances the Purchased Receivables and the General Reserve Account may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes.

In the event of the insolvency of a Swap Counterparty, the Issuer will be treated as a general creditor of such Swap Counterparty and is consequently subject to the credit risk of such Swap Counterparty. To mitigate this risk, under the terms of each Swap Agreement, the Swap Counterparty 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 Counterparty fall below certain levels (which are set out in the Swap

Agreement) while the Swap Agreement is outstanding. However, no assurance can be given that sufficient collateral will be available to the Swap Counterparty such that it is able to post collateral in accordance with the requirements of the relevant Swap Agreement or that the collateral will be posted on time in accordance with the relevant Swap Agreement. If the Swap Counterparty fails to post sufficient collateral, there is a risk that the Issuer will have insufficient funds to make payments on the Notes.

In the event that the relevant ratings of the Swap Counterparty are below certain levels (which are set out in the Swap Agreement) while the Swap Agreement is outstanding, the Swap Counterparty will, in accordance with the terms of the applicable Swap Agreement, be required to elect to take certain remedial measures within the applicable time frame stipulated in the applicable 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 applicable Swap Agreement to be transferred to an entity which is an Eligible Swap Counterparty, procuring another entity which is an Eligible Swap Counterparty to become co-obligor or guarantor in respect of its obligations under the applicable 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 Counterparty for posting or that another entity which is an Eligible Swap Counterparty will be available to become a replacement swap counterparty, co-obligor or guarantor or that the Swap Counterparty will be able to take the requisite other action. If the remedial measures following a downgrade of the Swap Counterparty below the level of an Eligible Swap Counterparty are not taken within the applicable time frames, this will permit the Issuer to terminate the Swap Agreement early.

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a swap counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty. Such provisions are similar in effect to the terms included in the Transaction SA UK 2020-2 Documents relating to the subordination of certain payments under a Swap Agreement.

The Supreme Court of the United Kingdom in *Belmont Park Investments PTY Limited (Respondent) v BNY Corporate Trustee Services Limited and Lehman Brothers Special Financing Inc* [2011] UKSC 38 unanimously upheld the decision of the Court of Appeal in upholding the validity of similar post-enforcement "flip" priorities of payment (a so-called "flip clause"), stating that, **provided that** such provisions formed part of a commercial transaction entered into in good faith which did not have, as its predominant purpose or one of its main purposes, the deprivation of the property of one of the parties on bankruptcy, the anti-deprivation principle was not breached by such provisions. On that basis, such provisions would be enforceable as a matter of English law.

In parallel proceedings in New York, Judge Peck of the U.S. Bankruptcy Court for the Southern District of New York granted Lehman Brothers Special Finance Inc.'s ("**LBSF**") motion for summary judgement on the basis that the effect was that the provisions do infringe the anti-deprivation principle in a U.S. insolvency and did not benefit from "safe harbor" protections granted under the U.S. Bankruptcy Code to "swap agreements". Judge Peck acknowledged that this resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". Subsequently, that same court distinguished its prior decisions in a recent June 2016 opinion, *Lehman Brothers Special Financing Inc. v Bank of America National Association, et al.* (No. 10-03547 (SCC)) (In re Lehman Bros. Holdings, Inc.). In that case, the court found, among other things, that provisions in a swap agreement that established the priority of distributions to a swap participant at the time an early termination occurred resulting from the filing of a bankruptcy case were not prohibited *ipso facto* clauses under the U.S. Bankruptcy Code and were enforceable against the debtor and protected by the "safe harbor" provisions referred to above.

In contrast, in the court's prior decisions, the priorities at issue there were established at the time the swaps were entered into and then later reversed as a result of an early termination caused by the filing of a bankruptcy case. Therefore, the court held in those cases that such provisions were prohibited *ipso facto* clauses. Consistent with its prior rulings, the court also ruled in its June 2016 decision that certain other transactions at issue in that case involving the reversing of pre-determined priorities resulting from the filing of a bankruptcy case also violated the *ipso facto* prohibitions under the U.S. Bankruptcy Code.

Furthermore, on 11 August 2020, the U.S. Court of Appeals for the Second Circuit affirmed lower court decisions rejecting LBSF's attempt to recover approximately $1 billion in payments to noteholders and enforcing certain priorities of payments that subordinated payments otherwise payable to LBSF under related swap transactions. The court expressly rejected Judge Peck's reading of the "safe harbor" protections in its decision and found that the flip clause provisions at issue in that case were enforceable and did benefit from the "safe harbor" provisions.

However, this is an aspect of cross border insolvency law which remains untested. So whilst the priority issue is considered largely resolved in England and Wales, concerns still remain that the English and U.S. courts will diverge in their approach which, in the case of an unfavourable decision in the U.S., may adversely affect the Issuer's ability to make payments on the Notes. In contrast, a U.S. Bankruptcy Court has held in separate cases that such a subordination provision is unenforceable under U.S. bankruptcy law and that any action to enforce such provision may violate the automatic stay which applies under such law in the case of a U.S. bankruptcy of the counterparty.

If a creditor of the Issuer (such as the Swap Counterparty) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the US), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the Transaction SA UK 2020-2 Documents (such as a provision of the relevant Priority of Payments which refers to the ranking of the Swap Counterparty's rights in respect of certain amounts under the Swap Agreement). In particular, based on the decision of the US Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under US bankruptcy law. Such laws may be relevant in certain circumstances with respect to a range of entities which may act as a Swap Counterparty, including US established entities and certain non-US established entities with assets or operations in the US (although the scope of any such proceedings may be limited if the relevant non-US entity is a bank with a licensed branch in a US state). In general, if a subordination provision included in the Transaction SA UK 2020-2 Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order was recognised by the English courts, there can be no assurance that such actions would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction SA UK 2020-2 Documents include terms providing for the subordination of certain payments under the Swap Agreement, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may result in negative rating pressure in respect of the Notes. If any rating assigned to any of the Notes is lowered, the market value of such Notes may reduce.

VI. Legal and regulatory risks relating to the Purchased Receivables

Rights in relation to the Vehicles

The ownership of the Vehicles which are the subject of Financing Contracts which are included in the Portfolio will be retained by MBFS. The Issuer will have the benefit of an assignment of the Collections including 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 the Vehicle Sale Proceeds Floating Charge.

Although the Issuer has a right to the Vehicle Sale Proceeds, it does not have any rights in, over or to the Vehicles that are financed by the Financing Contracts. The Issuer will therefore rely on the Seller to fulfil its contractual undertaking to pay to the Issuer such Vehicle Sale Proceeds. Accordingly, in the event of any insolvency of MBFS, the Issuer is reliant on any administrator or liquidator of MBFS taking appropriate steps to sell such Vehicles. Because the Vehicle Sale Proceeds have been transferred to the Issuer, this will be of no value to MBFS's creditors as a whole and therefore an administrator or liquidator will not have any financial incentive to take such steps. This risk is mitigated by the inclusion of a provision in the Servicing Agreement providing that the Issuer (or the Servicer on behalf of the Issuer) will pay, in accordance with the Priority of Payments, any administrator or liquidator's costs and expenses in selling such vehicles and an Administrator Recovery Incentive fee; however there can be no certainty that any administrator or liquidator would take such actions and no contractual obligations on MBFS to do so that

would be enforceable against MBFS or an administrator or liquidator thereof after the commencement of the administration or liquidation of MBFS.

As the Issuer will not acquire an ownership interest in the Vehicles themselves, certain third parties may acquire rights in relation to the Vehicles which may prejudice the collection of the Vehicle Sale Proceeds by the Issuer. Most notably, if a creditor secures a money judgment against MBFS, a High Court enforcement officer is empowered to seize and sell MBFS's goods and chattels, in an amount sufficient to satisfy the judgment debt and cost of execution, through a writ of fieri facias ("**fi fa**") or its Scottish equivalent. This means that the Vehicles, which remain the property of MBFS, will be at risk of execution from a judgment creditor. Such creditor enforcement action is not possible (without the leave of court) once administration or liquidation of MBFS intervenes, since such action is effectively stayed by the advent of the insolvency proceedings.

However, there can be no certainty that any administrator or liquidator would take such actions to sell any Financed Vehicles which are returned, repossessed or recovered. Furthermore, any failure or delay on the part of an administrator or liquidator to sell or consent to the sale of a Financed Vehicle could have an adverse effect on the ability of the Issuer to make payments on the Notes.

Employees

Financing Contracts with Obligors who are employees of MBFS at the time of sale will not be sold to the Issuer. In very limited cases it is possible that some Obligors may be employees of MBFS if they become employees after entering into their Financing Contract. Consequently, they may have a right of set-off against amounts due under the Purchased Receivables against unpaid wages or other cash benefits. Any such set-off may adversely affect the Issuer's ability to make payments in full when due on the notes.

Financing Contracts regulated by the Consumer Credit Act 1974 (as amended)

Changes to the UK regulatory structure

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

The FCA has been the regulator of consumer and credit matters since April 2014 and it is still evolving its practices in connection with the consumer credit regime. In light of this it is possible that it will take further action to impose stricter rules on current practices of consumer credit regulated firms. It is possible that through the actions it takes as regulator, as well as any adverse decision or award made by the Ombudsman (as to which see "*Financial Ombudsman Service*" within this risk factor below), the FCA will have an effect on the Financing Contracts, the Seller, and 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.

Regulatory framework

The regulatory framework for consumer credit 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 ("**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. Article 60C of the RAO contains an exemption for consumer credit contracts exceeding the value of £25,000, which are entered into wholly or predominantly for the debtor's business purposes.

The application of the CCA to the Financing Contracts which are regulated by the CCA (the "**Regulated Financing Contracts**") will have several consequences including the following:

(a) *Voluntary Terminations*

At any time before the last payment falls due in respect of the relevant Regulated Financing Contract, the Obligor may, pursuant to sections 99 and 100 of the CCA, terminate the relevant Regulated Financing Contract. Obligors do not have to state a reason for exercising their rights under this section. 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. In order to terminate the Regulated Financing Contract, the Obligor is required to notify MBFS. On and upon notification the Obligor must return the vehicle, at its own expense, to an address as reasonably required by MBFS, together with everything supplied with the vehicle.

In such a case MBFS is entitled to:

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

(ii) the amount (if any) by which one half of the total amount which would have been payable under the Regulated Financing Contract if it had run its course exceeds the aggregate of sums already paid by the Obligor and other amounts due from the Obligor under the Regulated Financing Contract immediately before exercise by the Obligor of its statutory right of termination;

(iii) possession of the relevant vehicle subject to the Regulated Financing Contract being terminated; and

(iv) any other sums due but unpaid by the Obligor under the Regulated Financing Contract.

Following the Voluntary Termination of a Financing Contract, MBFS will take possession of the relevant vehicle and will sell such Financed Vehicle in accordance with the Credit and Collection Policy. MBFS will apply (a) any amounts received per paragraphs (i) and (ii) above and (b) any proceeds from the sale of the vehicle to reduce the receivables balance of the Financing Contract that remains outstanding following the Voluntary Termination. Following such application, any remaining amounts of receivables balance on the Financing Contract that has been the subject of the Voluntary Termination will be written-off and reduced to zero.

If an Obligor exercises its rights to terminate a Financing Contract pursuant to sections 99 and 100 of the CCA, it is possible that the Notes may be redeemed earlier than anticipated.

Furthermore, if an Obligor terminates a Financing Contract pursuant to sections 99 and 100 of the CCA, it is possible that the Issuer will not receive the full amount of the principal amount outstanding 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.

See also "*RISK FACTORS – Risks relating to the Purchased Receivables (Right to Vehicles and reliance on residual value)*" which will apply equally to any Vehicles to be disposed of following the exercise by an Obligor of its right to voluntarily terminate any Financing Contract.

(b) *Early Settlement of Regulated Financing Contracts*

The Obligor has a statutory right to discharge his payment liability, and obtain title to the Financed Vehicle, under the Regulated Financing Contract in advance of its scheduled final repayment date by paying MBFS all unpaid scheduled payments through to the scheduled final repayment date together with all other amounts due and payable under the relevant Regulated Financing Contract less a rebate calculated pursuant to the provisions of the Consumer Credit (Early Settlement) Regulations 2004 (the "**Early Settlement Regulations**") (see sub-paragraph (d) below).

In addition, from 1 February 2011 the Obligors under a Regulated Financing Contract entered into after 11 June 2010 have a right to make partial early repayments of the Regulated Financing

Contract. One or more partial early repayment(s) may be made at any time during the life of the relevant Regulated Financing Contract, subject to the Obligor taking certain steps as outlined in Section 94 of the CCA. The provisions on partial early settlement are largely the same as those for full early settlement and the framework operates in much the same way.

(c) *Termination of Regulated Financing Contracts*

MBFS has the right to terminate the Regulated Financing Contract in the event of an unremedied material breach of agreement by the Obligor. In such case MBFS is entitled to repossess the vehicle (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) and recover either:

(i)

(1) all arrears of payments due and damages incurred for any breach of the Regulated Financing Contract by the Obligor prior to such termination;

(2) all MBFS'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 vehicle (including all expenses of sale); and

(3) any other sums due but unpaid by the Obligor under the Regulated Financing Contract less a rebate calculated pursuant to the provisions of the Early Settlement Regulations (see below).

(ii) or such lesser amount as a court considers will compensate MBFS for its loss.

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 Financing Contracts **provide that** the amount payable by the Obligor on termination by MBFS is the outstanding balance of the total amount payable under the Financing Contract less any statutory rebate for early settlement and less any proceeds of sale or estimated value of the vehicle so the Financing Contracts reflect those court decisions favourable to MBFS on this point.

(d) *Rebate on Early Settlement or on Termination of a Regulated Financing Contract by MBFS*

In the case of Regulated Financing Contracts, a rebate of credit charges may be due on early settlement. The amount of the rebate is calculated in accordance with the Early Settlement Regulations. The rebate is available only in the circumstances specified in the Early Settlement Regulations. No such rebate is required where the Obligor exercises his right to terminate a Regulated Financing Contract as described in (a) above, as the Obligor may terminate the relevant Regulated Financing Contract, without discharging in full the total amount payable under the Regulated Financing Contract.

(e) *Time Orders*

If, with regards to a Regulated Financing Contract, certain default or enforcement proceedings are taken or notice of early termination is served on an Obligor, the Obligor can apply to the court for a time order to change the timing of payments under his Regulated Financing Contract or to repay the outstanding sum by lower instalments than provided for in his Regulated Financing Contract. Under the provisions of the CCA the court has a wide discretion to make an order incorporating such amendments to the relevant Regulated Financing Contract as it considers fit, in order to achieve the objectives of the time order.

(f) *Bona fide purchaser*

A disposition of the vehicle by the Obligor to a *bona fide* private purchaser without notice of the Financing Contract will transfer to the purchaser MBFS' title to the vehicle.

(g) *Interpretation of technical rules*

MBFS 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 Financing Contract would be unenforceable without a court order. If such interpretation were challenged by a significant number of Obligors, then this could lead to significant disruption and shortfall in the income of the Issuer. Court decisions have been made on technical rules under the CCA against certain lenders, but such decisions are very few and are generally county court decisions which are not binding on other courts. Where agreements are unenforceable without a court order due to minor documentary defects, lenders have historically pursued such debts as though they are 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.

(h) *Enforcement of improperly executed or modified Regulated Financing Contracts*

If a Regulated Financing Contract has been "improperly executed" (as such term is used in the CCA) or improperly modified in accordance with the provisions of the CCA, it may be unenforceable unless a court order has been obtained.

(i) *"Unfair relationship"*

The court has power under section 140A of the CCA to determine that the relationship between a lender and a customer arising out of the credit agreement (whether alone or with any related agreement) is unfair to the consumer. In applying the new unfair relationship test, the courts are able to consider a wider range of circumstances surrounding the transaction, including the lender's conduct before and after making the agreement. There is no statutory definition of "unfair" as the intention is for the test to be flexible and subject to judicial discretion. 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 debtor and the creditor. Although the court is concerned with hardship to the debtor, there may be features which operate harshly against the debtor 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 creditor. 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.

(j) *Financial Ombudsman Service*

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

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

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

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 the FCA Consumer Credit sourcebook (CONC), which transposes certain requirements previously made under the CCA and in OFT guidance. The Obligor may set off the amount of the claim for contravention of CONC against the amount owing under the Regulated Financing Contract or any other credit agreement he has taken with the authorised person (or exercise analogous rights in Scotland or Northern Ireland). Any such set-off may adversely affect the Issuer's ability to make payments in full when due on the Notes.

(l) *Enforcement action by the FCA*

The FCA has a broad range of enforcement powers under the FSMA which it can take against authorised firms where the firm breaches a requirement of the FSMA. These powers include the ability to order restitution under Section 382 of FSMA and to implement consumer redress schemes under Section 404 of FSMA. In addition, where a broker does not have the relevant permission an agreement will be unenforceable against the customer without a written notice from the FCA.

(m) *Servicing Requirements*

MBFS has to comply with certain post-contract 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).

Liability for Misrepresentations and Breach of Contract

(a) *Regulated Financing Contracts*

Under section 75 of the CCA, an Obligor may make a claim against MBFS as well as a supplier in respect of any misrepresentations made by the supplier in a transaction between the supplier and the Obligor during negotiations between them before execution of the relevant Regulated Financing Contract or for a breach of contract. This liability arises in relation to, for example, insurance products where the creditor can be liable to the 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.

In all the above circumstances, MBFS normally has a right to be reimbursed by the supplier for any amount paid to the Obligor in respect of the Obligor's claim and any costs (including legal costs) incurred in defending the claim.

Equitable (or equivalent or analogous) set-off rights (such as for misrepresentation or breach of contract) may accrue in favour of an Obligor in respect of its obligation to make payments under the relevant Financing Contract. Exercise of such rights by the Obligors may, therefore, result in the Issuer receiving less money than anticipated from the Purchased Receivables, which may in turn lead to reduced amounts being available to pay the Noteholders.

In addition, under section 56 of the CCA where a credit broker, such as a dealer, carries out antecedent negotiations with an Obligor those negotiations will be deemed to be carried out in the capacity of agent of the creditor as well as in his actual capacity. As a result, MBFS will be potentially liable in respect of any misrepresentations made by any credit broker involved in introducing an Obligor to MBFS. 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 MBFS 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 MBFS (or exercise analogous rights in Scotland or Northern Ireland).

(b) *All Financing Contracts including Regulated Financing Contracts*

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

For Financing Contracts entered into on or after 1 October 2015 by Obligors acting wholly or mainly outside that Obligor's trade, business, craft or profession, equivalent protections are contained in the Consumer Rights Act 2015 (the "**CRA15**"). Where the Obligor makes the contract other than in the course of a business this exclusion does not affect the Obligor's statutory rights, either under the Supply of Goods (Implied Terms) Act 1973 or the CRA15, that the goods be of satisfactory quality fit for their intended purpose and as described. Where the Obligor makes the contract in the course of a business the exclusion of liability will only be binding if it meets a statutory test of reasonableness.

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

Protected Goods

If, under a Regulated Financing Contract, the Obligor has paid MBFS one-third or more of the total amount payable under the relevant Regulated Financing Contract, the vehicle becomes "protected" pursuant to section 90 of the CCA and MBFS is not entitled to repossess it, unless MBFS first obtains an order from the court to this effect. If, however, the Obligor terminates the Regulated Financing Contract, the vehicle ceases to be "protected" and MBFS may effect repossession unless the court grants the Obligor a "time order" rescheduling the Obligor's outstanding liabilities under the Regulated Financing Contract, or otherwise exercises any other discretion which it may have under the CCA. In the event any of the vehicles owned by Obligors are protected, this could potentially cause delays in recovering amounts due from the Obligors and consequently may reduce amounts available to Noteholders.

Other Risks Resulting from Consumer Legislation

(a) *Unfair Terms in Consumer Contracts Regulations 1999*

The Unfair Terms in Consumer Contracts Regulations 1999 (the "**UTCC Regulations**") apply in relation to the Financing Contracts involving consumers entered into prior to 1 October 2015. An Obligor may challenge a term in an agreement on the basis that it is "unfair" within the meaning of the UTCC Regulations and therefore not binding on the Obligor.

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

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

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

No assurance can be given that the implementation of the CRA15 or changes to guidance will not have an adverse effect on the Purchased Receivables, MBFS, the Servicer, the Issuer and their respective businesses and operations. The broad and general wording of the UTCC Regulation and 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. This may adversely affect the ability of the Issuer to dispose of Purchased Receivables, or any part thereof, in a timely manner and/or the realisable value of the Purchased Receivables, or any part thereof, and accordingly affect the ability of the Issuer to meet its obligations under the Notes when due.

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

(b) *Unfair Commercial Practices Directive 2005*

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

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

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

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

The Consumer Protection Regulations are comprised of three key restrictions:

(i) Regulation 3 sets out a general prohibition of unfair commercial practices, so as to catch all practices which do not fall into the specific prohibitions of misleading and aggressive practices or the specifically banned practices. In accordance with Regulation 3, a commercial practice is "unfair" if:

(1) the practice contravenes the requirements of "professional diligence" (which is the special skill and care a trader may be reasonably expected to exercise commensurate with honest market practice or the general principle of good faith in its field of activity); and

(2) the practice materially distorts or is likely to materially distort the economic behaviour of the average consumer with regard to the product in question.

(ii) Regulations 5 to 7 set out specific prohibitions in respect of misleading actions or omissions, and aggressive practices, respectively.

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

Enforcers (such as the Competition and Markets Authority and local trading standards authorities) may take civil enforcement action in respect of a breach of the Consumer Protection Regulations and consumers also have a right to redress for prohibited practices, including a right to unwind agreements, claim damages or obtain a discount.

The Consumer Protection Regulations require the Competition and Markets Authority 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. 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 Financing Contracts and accordingly on the Issuer's ability to make payments in full when due on the Notes.

FCA review of the motor finance sector

The FCA has been carrying out a review of the motor finance sector in the UK and published a report entitled "*Our work on motor finance – final findings*" (publication reference: 005810) on 4 March 2019. The FCA launched a consultation, which closed in October 2019, on plans to ban commission models that incentivise brokers and dealers to raise customer's interest rates. The FCA found that commission models allowing broker discretion on interest rates have the potential to cause significant customer harm by way of higher interest charges. The FCA refers in particular to increasing difference in charges ("**Increasing DiC**") and reducing difference in charges ("**Reducing DiC**") commission models, which "*can provide strong incentives for brokers to arrange finance at higher interest rates*". With difference in charges 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 Reducing 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 28 July 2020, the FCA published a policy statement (PS 20/8) confirming its previous proposals for 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. PS 20/8 also contained the final updates to the FCA's rules and guidance on commission disclosure to customers. All rules and guidance under this policy statement will come into effect on 28 January 2021. In addition, the FCA published a "Dear CEO" letter on 20 January 2020 entitled "*Portfolio Strategy: Motor Finance Providers*" setting out its supervisory strategy for the period to August 2021.

The FCA have also launched a Credit Information Market Study and an interim report is expected to be published in spring 2020 – however, publication has been delayed due to interruption caused by the COVID-19 pandemic. The report will analyse the purposes, quality, and accessibility of market information as well as the market structure, business models, competition and consumer engagement. The FCA Credit information is particularly important in retail lending as it is used for assessment of credit risk and affordability as well as fraud prevention. The FCA's conclusions, and any subsequent rule changes, may have an effect on the vehicle finance market and possibly the Seller's business.

Separately, the FCA published specific "motor finance agreements and coronavirus" guidance in April 2020, which was subsequently finalised in July 2020. This guidance sets out the FCA's expectation that firms provide, for a temporary period only, exceptional and immediate support to customers facing payment difficulties due to circumstances arising out of coronavirus. This includes requirements to offer full or partial three month payment deferrals upon request, and the requirement that these be offered free of charge. Firms are expected not to pursue guarantors (if applicable) for payment during these periods. This specific guidance should be considered within the broader finalised guidance published by the FCA in September 2020 on "consumer credit and coronavirus", which came into force on 2 October 2020. This guidance increases the responsibility on firms to support customers experiencing payment difficulties through a number of measures, including offering a full range of shorter and longer-term options to support their customers and minimise stress and anxiety experienced by customers in financial difficulty, carrying out regular assessments as to vulnerability for customers, and putting in place sustainable repayment arrangements which are affordable and take into account customers' financial situations. On 4 November 2020, the FCA published further draft proposals to enhance the support to customers under motor finance agreements who face payment difficulties due to the COVID-19 pandemic, which includes guidance relating to fair treatment at the end of an initial payment deferral period, particularly where customers are unable to resume full payments immediately due to circumstances arising out of the COVID-19 pandemic. The guidance also notes that interest should be waived at the end of payment deferral periods where customers cannot resume payments in full. The FCA have confirmed that they may publish further guidance on this topic if necessary. This guidance – and increased regulatory scrutiny on consumer credit firms in response to the COVID-19 pandemic – may impact the receivables payable to the Issuer.

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, consumer credit generally or otherwise. Should new rules be introduced, a different interpretation of existing rules be endorsed by the FCA (in particular, but not limited to the cost of compliance), or should enforcement action be taken by the FCA, 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.

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 Financing Contract, terminate their Financing Contract (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 (Financing Contracts 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 Financing Contract 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 (Financing Contracts 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 Financing Contract 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 Optional Final Payment under any PCP Contracts.

In addition, it is possible that an Obligor could claim against MBFS as the counterparty to the Financing Contract 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 Financing Contract or termination of the relevant Financing Contract, depending on the claim. If a successful claim is brought against MBFS, it is likely that MBFS would have a claim against the relevant dealer. Such a claim would likely be equal to the loss suffered by MBFS in respect of the claim brought by the Obligor and, if received, would mitigate any loss suffered by MBFS in respect of a claim referenced in the paragraph above. Whether or not MBFS 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.

Value of the Financed Vehicles

Daimler AG and its subsidiaries ("**Daimler**") are continuously subject to governmental information requests, inquiries, investigations, administrative orders and proceedings relating to environmental, criminal, antitrust and other laws and regulations in connection with diesel exhaust emissions.

In the third quarter of 2020, Daimler AG and MBUSA reached an agreement with various US authorities to settle civil and environmental claims regarding emission control systems of certain diesel vehicles in the United States. The involved US authorities are the US environmental agencies Environmental Protection Agency ("**EPA**") and California Air Resources Board ("**CARB**"), the Environmental and Natural Resources Division of the U.S. Department of Justice ("**DOJ**"), the California Attorney General's Office as well as the U.S. Customs and Border Protection ("**CBP**").

The authorities take the position that Daimler failed to disclose Auxiliary Emission Control Devices (AECDs) in certain of its US diesel vehicles and that several of these AECDs are illegal defeat devices. As part of these settlements, Daimler denies the allegations by the authorities and does not admit liability, but has agreed to, among other things, pay civil penalties, conduct an emission modification program for affected vehicles, provide extended warranties, undertake a nationwide mitigation project, take certain corporate compliance measures and make other payments.

The company has cooperated fully with the US authorities and continues to do so.

In the third quarter of 2020, Daimler AG and MBUSA also reached an agreement with plaintiffs' counsel to settle the consumer class action "*In re Mercedes-Benz Emissions Litigation*" before the U.S. District Court for the District of New Jersey. As part of the settlement, Daimler AG and MBUSA deny the material factual allegations and legal claims asserted by the class action plaintiffs and class members, but have agreed to provide payments to current and former diesel vehicle owners and lessees.

For the settlements with the US authorities, Daimler expects costs of approximately USD 1.5 billion The estimated cost of the class action settlement is approximately USD 700 million. In addition, Daimler estimates further expenses of a mid three-digit-million euro amount to fulfill requirements of the settlements. The settlements are still subject to final court approval.

Several federal and state authorities and other institutions worldwide have inquired about and/or are/have been conducting investigations and/or administrative proceedings, and/or have issued administrative orders or, in the case of the Stuttgart district attorney's office, a fine notice. The aforementioned matters particularly relate to test results, the emission control systems used in Mercedes-Benz diesel vehicles and/or Daimler's interaction with the relevant federal and state authorities as well as related legal issues and implications, including, but not limited to, under applicable environmental, criminal and antitrust laws. The authorities and institutions involved include, amongst others, the DOJ, which has requested that Daimler conducts an internal investigation, the EPA, the CARB and other US state authorities, the South Korean Ministry of Environment, the South Korean competition authority (Korea Fair Trade Commission) and the Seoul Prosecutor's Office (South Korea), the European Commission, the German Federal Cartel Office (*Bundeskartellamt*) as well as national antitrust authorities and other authorities of various foreign states as

well as the German Federal Ministry of Transport and Digital Infrastructure ("**BMVI**") and the German Federal Motor Transport Authority ("**KBA**"). In the course of its formal investigation into possible collusion on clean emission technology, the European Commission sent a statement of objections to Daimler and other automobile manufacturers in April 2019. In this context, Daimler filed an application for immunity from fines (leniency application) with the European Commission some time ago. The Stuttgart district attorney's office is conducting criminal investigation proceedings against Daimler employees on the suspicion of fraud and criminal advertising, and, in May 2017, searched the premises of Daimler at several locations in Germany. In February 2019, the Stuttgart district attorney's office also initiated a formal investigation proceeding against Daimler AG with respect to an administrative offense. In September 2019, the Stuttgart district attorney's office issued a fine notice against Daimler based on a negligent violation of supervisory duties in the amount of €870 million which has become legally binding, thereby concluding the administrative offense proceedings against Daimler.

Daimler continues to fully cooperate with the authorities and institutions. Irrespective of such cooperation and in light of the recent developments, it is possible that further regulatory, criminal and administrative investigative and enforcement actions and measures relating to Daimler and/or its employees will be taken or administrative orders will be issued. Such actions, measures and orders may include subpoenas, that is, legal instructions issued under penalty of law in the process of taking evidence, or other requests for documentation, testimony or other information, or orders to recall vehicles, further search warrants, a notice of violation or an increased formalization of the governmental investigations, coordination or proceedings, including the resolution of proceedings by way of a settlement. Additionally, further delays in obtaining regulatory approvals necessary to introduce new or recertify existing vehicle models could occur.

Since 2018, the KBA has issued various administrative orders holding that certain calibrations of specified functionalities in certain Mercedes-Benz diesel vehicles are to be qualified as impermissible defeat devices and ordered subsequent auxiliary provisions for the respective EC type approvals in this respect, including mandatory recalls and, in certain cases, stops of the first registration. In addition and since 2018 Daimler has (in view of KBA's interpretation of the law as a precaution) implemented a temporary delivery and registration stop with respect to certain models, also covering the used car, leasing and financing businesses, and is constantly reviewing whether it can lift this delivery and registration stop in whole or in part. Daimler has filed timely objections against the KBA's administrative orders mentioned above in order to have the open legal issues resolved, if necessary by a court of law. In the course of its regular market supervision, the KBA is routinely conducting further reviews of Mercedes-Benz vehicles and is asking questions about technical elements of the vehicles. In light of the aforementioned administrative orders issued by, and continued discussions with, the KBA, additional administrative orders can be issued in the course of the ongoing and/or further investigations. Since September 1, 2020, this also applies to other responsible authorities of other Member States and the European Commission which conduct market surveillance under the new European Type Approval Regulation and can take measures upon assumed non-compliance, irrespective of the place of the original type approval.

The new calibrations requested by KBA are being processed, and for a substantial proportion of the vehicles, the relevant software has already been approved by KBA; the related recalls have insofar been initiated. It cannot be ruled out that under certain circumstances, software updates may have to be reworked or further delivery and registration stops may be ordered or resolved by Daimler as a precautionary measure, also with regard to the used car, leasing and financing businesses. Daimler continues to fully cooperate with the responsible authorities and institutions.

As described above, in the third quarter of 2020, Daimler AG and MBUSA reached agreements with various US authorities to settle civil and environmental claims regarding emission control systems of certain diesel vehicles in the United States that are still subject to final court approval.

In light of these matters and in light of the ongoing governmental information requests, inquiries, investigations, administrative orders and proceedings, as well as Daimler's own internal investigations, it is likely that, besides KBA, EPA and CARB, one or more regulatory and/or investigative authorities worldwide will reach the conclusion that other passenger cars and/or commercial vehicles with the brand name Mercedes-Benz or other brand names of the group are equipped with impermissible defeat devices and/or that certain functionalities and/or calibrations are not proper and/or were not properly disclosed. Furthermore, the authorities have increased scrutiny of Daimler's processes regarding running- change, field-fix and defect reporting as well as other compliance issues. As described above, the Stuttgart district attorney's office's administrative offense proceedings and the proceedings underlying the civil settlements with the US authorities have been resolved, whereas the settlements are subject to final court approval. The

other inquiries, investigations, legal actions and proceedings as well as the replies to the governmental information requests and the objection proceedings against KBA's administrative orders are still ongoing and open. Hence, Daimler cannot predict the outcome of these inquiries, investigations and proceedings at this time. Due to the outcome of the administrative offense proceedings by the Stuttgart district attorney's office against Daimler and the civil settlements with the US authorities, as well as the above and any potential other information requests, inquiries, investigations, administrative orders and proceedings, it is possible that Daimler will become subject to, as the case may be, significant additional monetary penalties, fines, disgorgements of profits, remediation requirements, further vehicle recalls, further registration and delivery stops, process and compliance improvements, mitigation measures and the early termination of promotional loans, and/or other sanctions, measures and actions (such as the exclusion from public tenders), including further investigations and/or administrative orders by these or other authorities and additional proceedings. The occurrence of the aforementioned events in whole or in part could cause significant collateral damage including reputational harm. Further, due to negative allegations, determinations or findings with respect to technical or legal issues by one of the various governmental agencies, other agencies – or also plaintiffs – could also adopt such allegations, determinations or findings, even if such allegations, determinations or findings are not within the scope of such authority's responsibility or jurisdiction. Thus, a negative allegation, determination or finding in one proceeding, such as the fine notice issued by the Stuttgart district attorney's office or the allegations underlying the civil settlements with the US authorities, carries the risk of being able to have an adverse effect on other proceedings, also potentially leading to new or expanded investigations or proceedings, including lawsuits.

In addition, Daimler's ability to defend itself in proceedings could be impaired by the fine notice issued by the Stuttgart district attorney's office, the civil settlements with the US authorities as well as by the underlying allegations and other unfavorable allegations, findings, results or developments in any of the information requests, inquiries, investigations, administrative orders, legal actions and/or proceedings discussed above.

At the date of this Prospectus, there are no indications that recent developments will have a material negative impact on payments on the Purchased Receivables, but there can be no assurance that the inquiries, investigations, legal actions, proceedings and orders mentioned above and any future disclosure or settlement by or with respect to Daimler AG and its subsidiaries will not adversely affect the businesses or financial position of Daimler AG or MBFS (including its ability to comply with its obligations under the Transaction SA UK 2020-2 Documents, including under the Servicing Agreement or its repurchase and indemnity obligations) or ultimately the Purchased Receivables (including the residual value of Vehicles) and/or the Issuer's ability to make payments under the Class A Notes.

Fixed charges may take effect 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 Transaction 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 assets (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 Parties 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 250 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 a new Section 176A of the Insolvency Act 1986 requires a "prescribed part" (up to a maximum amount of £ 600,000) of the floating charge realisations available for distribution to be set aside to satisfy the claims of unsecured creditors. This means that the expenses of any administration, 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.

VII. Legal, Macro-Economic and Regulatory Risks in relation to the Notes

Risks arising from the COVID-19 Pandemic

In December 2019, a novel strain of coronavirus, COVID-19, was reported in Wuhan, China. The World Health Organization has classified COVID-19 as a global pandemic (the "**COVID-19 Pandemic**"). Governments around the world have implemented measures to combat the spread of the virus, including travel bans, quarantines and restrictions on public gatherings and commercial activity. The outbreak of the COVID-19 Pandemic has had (and may continue to have) an adverse impact on the global economy and it is not possible to assess at the date of this Offering Circular potential further developments of the COVID-19 Pandemic. The effects of the COVID-19 Pandemic on the Issuer's ability to fulfil its obligations under the Compartment Silver Arrow UK 2020-2 Notes can be diverse, including, but not limited to, the following aspects:

The performance of the Purchased Loan Receivables may be adversely affected by the general worsening of economic conditions, an increase in unemployment rates and other direct or indirect effects of the COVID-19 Pandemic on the circumstances of individual Obligors.

In response to recent developments resulting from the COVID-19 Pandemic and the published guidance of the FCA to the Motor Finance Industry dated 26 April 2020 (as described in more detail in "*–Risks relating to the structure – FCA review of the motor finance sector*"), the Seller has recently amended its Credit and Collection Policy in accordance with the terms of the Receivables Purchase Agreement. The amendments to the Credit and Collection Policy permit the Servicer offer relief to customers experiencing financial difficulty. The actions the Servicer may take include the deferral of payment obligations for up to 3 months (without an extension of the last payment due, unless the remaining term is less than 12 months, where a 3-month extension may also be granted, with an increase in the amounts required to be paid by the customer after completion of the deferral period, to the extent required to make up all deferred payments) or an extension of the term of the customer's contract for up to 3 months (whereby the customer continues making monthly payments at either the original or a reduced rate). See "*THE SELLER, THE SERVICER AND THE SUBORDINATED LENDER — Credit and Collection Policy*".

Investors should also be aware that third parties on which the Issuer relies may be adversely affected by the effects of the COVID-19 Pandemic. As the COVID-19 Pandemic has led to many organisations either closing or implementing policies requiring their employees to work at home, delays or difficulties in performing otherwise routine functions could occur. This may impact the performance of their respective obligations under the Transaction SA UK 2020-2 Documents. In particular, it may affect the administration, collection and enforcement of the Purchased Loan Receivables by the Servicer in accordance with the Servicing Agreement.

Brexit

Following a referendum vote on 23 June 2016 and a formal notice given by the United Kingdom to the European Union on 29 March 2017 under Article 50 of the Treaty on European Union the United Kingdom left the European Union on 31 January 2020 at 11pm local time. At that time, the EU treaties ceased to apply to the UK. However, as part of the withdrawal agreement agreed between the UK and the EU (the "**Withdrawal Agreement**"), the UK is now in an implementation period (the "**Implementation Period**") during which EU law continues to apply in the UK, and the UK continues to be a part of the EU single market, until the end of 2020. The terms of the UK's exit from the EU, including the future relationship, are unclear. The Withdrawal Agreement does not in general address the future relationship between the EU and the UK, which will need to be the subject of a separate agreement which has not yet been negotiated.

The exit process and negotiations surrounding the future relationship have resulted in political (including UK constitutional), legal, regulatory, economic and market uncertainty – the effects of each of which could adversely affect the Transaction and the interests of Noteholders. Such uncertainty and consequential market disruption may also cause investment decisions to be delayed, reduce job security and damage consumer confidence. The resulting adverse economic conditions could affect obligors' willingness or ability to meet their obligations, resulting in increased defaults in the securitised portfolio and ultimately the ability of the Issuer to pay interest and repay principal to Noteholders.

The exit process may also have an adverse effect on counterparties on the Transaction. Depending on the terms of the UK's future relationship with the EU they may become unable to perform their obligations resulting from changes in regulation, including the loss of existing regulatory rights to do cross-border business. Additionally, counterparties may be adversely affected by rating actions or volatile and illiquid markets (including currency markets and bank funding markets) arising from the exit process and negotiations surrounding the future relationship between the UK and the EU. As a result, there is an increased risk of such counterparties becoming unable to fulfil their obligations which could have an adverse impact on their ability to provide services to the Issuer and, accordingly, on the ability of the Issuer to make payments of interest and repayments of principal to Noteholders. See *RISK FACTORS* - "*Risks relating to the Transaction Parties*" above.

Finally, the exit process has resulted in downgrades of the UK sovereign and the Bank of England by Standard & Poor's, Fitch and Moody's. Moody's and Fitch have both placed a negative outlook on these ratings, suggesting a strong possibility of further negative rating action. The rating of the sovereign affects the ratings of entities operating in its territory, and in particular the ratings of financial institutions. Further downgrades may cause downgrades to counterparties to the Transaction SA UK 2020-2 Documents meaning that they cease to have the relevant required ratings to fulfil their roles and need to be replaced. If rating action is widespread, it may become difficult or impossible to replace counterparties on the Transaction with others who have the required ratings on similar terms or at all. Moreover, a more pessimistic economic outlook for the UK in general could lead to increased concerns around the future performance of the securitised portfolio and accordingly the ability of the Issuer to pay interest and repay principal to Noteholders and the ratings assigned to the Notes on the Issue Date could be adversely affected.

While the extent and impact of these issues is not possible for the Issuer to predict, Noteholders should be aware that they could have an adverse impact on the Transaction and the payment of interest and repayment of principal on the Notes.

Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes

Political and regulatory scrutiny of the asset-backed securities industry has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Seller, the Arranger, the Lead Manager nor any other party to the Transaction SA UK 2020-2 Documents makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment in the Notes on the Issue Date or at any time in the future. Any changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

Basel Capital Accord and regulatory capital requirements

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

The Basel Committee has subsequently approved significant changes and extensions to the Basel II framework (such changes and extensions being commonly referred to as "**Basel III**"), including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. In particular, the changes refer to, amongst other things, new requirements for the capital base (including an increase in the minimum Tier 1 capital requirement), measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (the latter being referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**", respectively). The European authorities have now incorporated the Basel III framework into EU law, primarily through Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and

investment firms, amending Directive 2002/87/EC and repealing Directive 2006/48/EC and 2006/49/EC (Capital Requirements Directive – "**CRD**") and the CRR known as "**CRD IV-Package**" which has generally entered into force in the EU on 1 January 2014. It should be noted that, whilst the provisions of the CRD were required to be incorporated into the domestic law of each EU Member State, the CRR has direct effect, and does not need to be implemented into the relevant national law. On 23 November 2016 the Commission proposed a new Regulation amending the CRR (the "**CRR II**") and a new Directive amending the CRD (the "**CRD V**") which, *inter alia*, simplified the Net Stable Funding Ratio. This legislative package entered into force on 27 June 2019, and will take effect from 27 June 2021. The changes under CRD V and Basel III may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold such Notes for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Notes.

Additionally, in accordance with Article 460 of the CRR, on 17 January 2015 the Commission Delegated Regulation (EU) No 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions (the "**LCR Regulation**") was published in the Official Journal of the European Union; this subsequently entered into force on 1 October 2015. The LCR Regulation sets out assumed asset inflow and outflow rates to better reflect actual experience in times of stress. Further, it sets out the EU application of the Liquidity Coverage Ratio, and defines specific criteria for assets to qualify as "high quality liquid assets", the market value of which shall be used by credit institutions for the purposes of calculating their relevant Liquidity Coverage Ratio. The criteria for high quality liquid assets are not entirely consistent with recent market standards and, given the lack of guidance on the interpretation of the LCR Regulation, no assurance can be given as to whether the Notes qualify as high quality liquid assets in each participating EU Member State and the Issuer makes no representation as to whether such criteria are met by the Notes.

On 30 October 2018, Delegated Regulation (EU) 2018/1620 amending the LCR Regulation (the "**Delegated Regulation**") was published in the Official Journal of the European Union and subsequently entered into force on 19 November 2018, pursuant to which, *inter alia*, (i) the calculation of the expected liquidity outflows and inflows on repurchase agreements, reverse repurchase agreements and collateral swaps shall be aligned with the international liquidity standard developed by the Basel Committee on Banking Supervision; (ii) the treatment of certain reserves held with third-country central banks shall be amended; and (iii) transactions exposures of securitisations, which qualify as simple, transparent and standardised securitisations in accordance with the Securitisation Regulation, shall qualify as Level 2B high quality liquid assets, if they additionally fulfil the conditions laid down in Article 13 of the LCR Regulation. The Delegated Regulation applied from 30 April 2020.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Class A Notes and as to the consequences to and effect on them of any changes to the Basel II framework (including the Basel III changes described above) and by the CRD IV Package in particular and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

The Securitisation Regulation

The Securitisation Regulation creates a set of common rules for securitisations and, amongst other matters, applies to securitisations, the securities of which are issued on or after 1 January 2019. The Securitisation Regulation creates a single set of common rules for European "*institutional investors*" (as defined in the Securitisation Regulation) as regards (i) risk retention, (ii) due diligence, (iii) transparency, and (iv) the underwriting criteria for loans to be comprised in securitisation pools. The Securitisation Regulation also creates a European framework for simple, transparent and standardised securitisations ("**STS-securitisations**").

The risk retention, transparency, due diligence and underwriting criteria requirements mentioned above apply in respect of the Notes. As such, investors to which the Securitisation Regulation is applicable should make themselves aware of the requirements of Articles 5 et seqq. of the Securitisation Regulation, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Prospective investors are required to independently assess and determine the sufficiency of the information contained in this Prospectus or made available by the Issuer and the Originator for the purposes of complying with any relevant requirements and none of the Issuer, the Originator, the Reporting Entity, the Arranger or any other party to the Transaction SA UK 2020-2 Documents makes any representation that such information is sufficient in all circumstances for such purposes.

Various parties to the securitisation transaction described in this Prospectus (including the Issuer) are also subject to the requirements of the Securitisation Regulation. Prospective investors are referred to the section entitled "*Compliance with Article 7 of the Securitisation Regulation*" for further details and should note that there can be no assurance that the information in this Prospectus or the information to be made available to investors in accordance with Article 7 of the Securitisation Regulation will be adequate for any prospective institutional investors to comply with their due diligence obligations under the Securitisation Regulation.

With respect to the commitment of the Originator to retain a material net economic interest during the life of the Transaction, as contemplated by Article 6(3)(d) of the Securitisation Regulation, the Originator will retain such net economic interest through the holding of the Class B Notes and the Subordinated Loan. Such interest in the Class B Notes and the Subordinated Loan will be equivalent to no less than 5% of the nominal value of the securitised exposures on an ongoing basis, provided that the level of retention may reduce over time in compliance with Article 10(2) of the Commission Delegated Regulation specifying the risk retention requirements pursuant to Article 6 of the Securitisation Regulation, each as interpreted and applied on the Issue Date.

Article 5 of the Securitisation Regulation places an obligation on institutional investors (as defined in the Securitisation Regulation) before investing in a securitisation and thereafter, to analyse, understand and stress test their securitisation positions and monitor on an ongoing basis in a timely manner performance information on the exposures underlying their securitisation positions. After the Issue Date, the Servicer (on behalf of the Originator) will prepare monthly reports wherein relevant information with regard to the Purchased Receivables will be disclosed publicly, together with an overview of the retention of the material net economic interest by the Originator in accordance with Article 6 of the Securitisation Regulation.

Investors to which the Securitisation Regulation applies should also see the section "*Compliance with Article 5 of the Securitisation Regulation*", "*Compliance with Article 6 of the Securitisation Regulation*", "*Compliance with Article 7 of the Securitisation Regulation"* and "*Compliance with STS Requirements*".

Simple, Transparent and Standardised Securitisation (STS)

The Securitisation Regulation sets out the new criteria and procedures applicable to EU securitisations seeking the designation as "*simple, transparent and standardised*" ("**STS**") securitisations, and includes provisions that harmonise and replace the risk retention and due diligence requirements applicable to certain securitisations. Certain EU-regulated investors are restricted from investing in such Notes unless that investor is able to demonstrate that it has undertaken certain due diligence assessments and verified various matters.

Although the Transaction has been (i) structured to comply with the requirements for simple, transparent and standardised securitisations transactions as set out in Articles 19 to 22 of the Securitisation Regulation, (ii) notified by the Originator to be included in the list published by ESMA referred to in Article 27(5) of the Securitisation Regulation (the "**STS Notification**") (which, together with the explanation from the Originator of the transaction's compliance with Articles 19 to 22 of the Securitisation Regulation (compliance with such articles being required to qualify as an STS Securitisation) will be available for inspection on the list maintained by ESMA at: https://www.esma.europa.eu/policy-activities/securitisation/simple-transparentand- standardised-sts-securitisation) and (iii) verified as such by Prime Collateralised Securities (PCS) UK Limited ("**PCS**"), in its capacity as third party verification agent authorised pursuant to Article 28 of the Securitisation Regulation, no guarantee can be given that it maintains this status throughout its lifetime. As the STS status of the securitisation transaction described in this Prospectus is not static, investors should verify the current status of the securitisation transaction described in this Prospectus on ESMA website. Non-compliance with such status may result in higher capital requirements for investors as an investment in the Notes would not benefit from Articles 260, 262 and 264 of the CRR. Furthermore, non-compliance could result in various administrative sanctions and/or remedial measures being imposed on the Issuer or otherwise payable or reimbursable by the Issuer. As the Transaction SA UK 2020-2 Documents do not contemplate the payment or reimbursement by the Issuer of any of such administrative sanctions and/or remedial measures the redemption of the Notes may be adversely affected thereby.

To ensure that the Transaction will comply with future changes or requirements of any Delegated Regulation which may enter into force after the Issue Date, the Issuer and the Servicer will be entitled to amend the Transaction SA UK 2020-2 Documents, including the Conditions, in accordance with the

amendment provisions contained in the Conditions and the other Transaction SA UK 2020-2 Documents, in order to comply with such requirements.

The Withdrawal Agreement (as for details of which see "*– Legal, Macro-Economic and Regulatory Risks in relation to the Notes – Brexit*") provides that, following the end of the Implementation Period, existing EU laws will be "onshored" into the UK law. The Securitisation Regulation is expected to be onshored into UK law by virtue of the Securitisation (Amendment) (EU Exit) Regulations 2019 (the "**UK Securitisation Regulations**"). There are currently no reciprocal arrangements under the Securitisation Regulation to recognise transactions which would have "STS" status under the UK Securitisation Regulation, for the purposes of the Securitisation Regulation, and geographical requirements are expected to make it impossible for any securitisation to have STS status under both the UK Securitisation Regulation and the Securitisation Regulation. In addition, there are no grandfathering provisions under the Securitisation Regulation for transactions with UK originators, sponsors or SSPEs which have been notified as being "STS" before the end of the Implementation Period. As a result, the Transaction will not meet the "STS" requirements under the Securitisation Regulation from 1 January 2021 and there can be no guarantee that the Transaction will qualify for "STS" status under the UK Securitisation Regulation, irrespective of the fact that the Originator intends to notify the FCA that the Transaction meets the STS requirements under the UK Securitisation Regulation.

Risks from reliance on verification by PCS

MBFS, in its capacity as Originator, has used the services of PCS, a third party authorised pursuant to Article 28 of the Securitisation Regulation, to verify whether the Securitisation complies with Articles 19 to 22 of the Securitisation Regulation and the compliance with such requirements is expected to be verified by PCS on the Issue Date. However, none of the Issuer, the Originator, the Reporting Entity, the Arranger or any other party to the Transaction SA UK 2020-2 Documents gives any explicit or implied representation or warranty as to (i) inclusion of the Securitisation in the list administered by ESMA within the meaning of Article 27 of the Securitisation Regulation; (ii) that the Securitisation does or continues to comply with the Securitisation Regulation; and (iii) that the Securitisation does or continues to be recognised or designated as "STS" or "simple, transparent and standardised" within the meaning of article 18 of the Securitisation Regulation after the date of this Prospectus.

The verification by PCS does not affect the liability of MBFS, as Originator in respect of its legal obligations under the 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 Securitisation Regulation. Notwithstanding PCS' verification of compliance of a securitisation with Articles 19 to 22 of the Securitisation Regulation, such verification by PCS does not ensure the compliance of a securitisation with the general requirements of the Securitisation Regulation. A verification does not remove the obligation placed on investors to assess whether a securitisation designated as "STS" or "simple, transparent and standardised" has actually satisfied the criteria. Investors must not solely rely on any STS Notification or PCS' verification to this extent.

MBFS, as Originator, will include in its notification pursuant to Article 27(1) of the Securitisation Regulation, a statement that compliance of the securitisation described in this Prospectus with Articles 19 to 22 of the Securitisation Regulation has been verified by PCS. The designation of the Securitisation as an STS-securitisation is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under MiFID II and it is not a credit rating whether generally or as defined under the CRA Regulation or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended). By designating the Transaction as an STS-securitisation, no views are expressed 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.

U.S. Risk Retention

The U.S. Risk Retention Rules 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 also provide for certain exemptions from the risk retention obligations that they generally impose.

The transaction will not involve risk retention by the Seller for the purposes of the U.S. Risk Retention Rules, but rather will be made in reliance 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.

The Notes sold as part of the initial distribution of the Notes may not be purchased by Risk Retention U.S. Persons except in accordance with the exemption provided for in Section 20 of the U.S. Risk Retention Rules and with the prior consent of MBFS. 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 an investor could be a Risk Retention U.S. person under Regulation S. Notwithstanding the foregoing, the Issuer may, with the prior consent of the Seller, sell a limited portion of the Notes to, or for the account or benefit of, Risk Retention U.S. Persons in accordance with an exemption from 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 than 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);

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

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

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

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

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

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

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) is unclear, but could give

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

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

rise to regulatory action which may 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 the Arranger, the Lead Manager 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 Issue Date or at any time in the future. Investors should consult their own advisors as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Volcker Rule

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 prohibits "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 of 1940 (the "**ICA**") but is exempt from registration solely in reliance on section 3(c)(1) or 3(c)(7) of that Act, subject to certain exemptions found in the Volcker Rule's implementing regulations.

The Issuer has structured its operations with the intention of being excluded from being considered 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. Each investor must determine for itself whether it is a "banking entity" subject to regulation under the Volcker Rule and should consult its own legal advisors and consider the potential impact of the Volcker Rule in respect of a prospective investment in the Notes. None of the Issuer, the Arranger, the Lead Manager 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.

Change of law

The underlying Financing Contracts, the Trust Deed, the Deed of Charge, the Receivables Purchase Agreement and the other Transaction SA UK 2020-2 Documents and the issue of the Notes, as well as the ratings which are to be assigned to the Notes are based on the law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change of law or its interpretation or administrative practice after the date of this Prospectus.

Transposition of the Anti-Tax Avoidance Directive into Luxembourg law

As part of its anti-tax avoidance package, the EU Commission published a draft Anti-Tax Avoidance Directive on 28 January 2016, which was formally adopted by the EC Council on 12 July 2016 in Council Directive (EU) 2016/1164 ("**ATAD I**"). The Council Directive (EU) 2017/952 of 29 May 2017 then amended ATAD I as regards hybrid mismatches with third countries ("**ATAD II**").

Provisions of ATAD I which are aimed at limiting interest deductibility do not apply to certain types of entities. Whilst securitisation companies falling under the scope of the Securitisation Regulation, such as the Issuer, benefit from a carve-out to the domestic legislation implementing ATAD I, under Article 168bis

Luxembourg Income Tax Law, that exemption has recently been the subject of a formal notice issued by the EU Commission associated with a request to amend the domestic legislation. Amendments to the domestic legislation are therefore expected and any relevant proposals should be carefully monitored. It is possible that such amendments may have retrospective effect. It is however anticipated that the Issuer will not receive meaningful amounts of non-interest or equivalent types of income, and so that these provisions should not result in significant adverse tax consequences. That said, the position remains subject to the final interpretation of the Luxembourg authorities and further guidance, both of which should be monitored on a regular basis.

Furthermore, the Luxembourg law dated 20 December 2019 (the "**ATAD II Law**") transposed ATAD II into Luxembourg legislation. ATAD II Law extends the scope of the Luxembourg rules which transpose ATAD I which applied to situations of double deduction or deduction without inclusion resulting from the use of hybrid financial instruments or hybrid entities. ATAD II requires EU Member States to either deny deduction of payments, expenses or losses or include payments as taxable income, in case of hybrid mismatches. It applies to situations involving permanent establishments, reverse hybrids, imported mismatches, hybrid transfers and dual residence. The ATAD II Law applies as of 1 January 2020, except for the provision on reverse hybrid mismatches which will apply as of 1 January 2022.

The precise impact of the above mentioned new rules is currently uncertain and will need to be monitored on a regular basis, notably in the light of any future guidance from the Luxembourg tax authorities.

Limitation on the deductibility of interest paid to non-cooperative countries and territories

On 30 March 2020, the Luxembourg government filed before the Luxembourg parliament bill n°7547, which is aimed at denying the tax deductibility of interest paid or due to associated enterprises that are located in a country that is listed on the EU blacklist (the "**Bill**"). The EU blacklist enumerates all countries and territories that are considered to be non-cooperative in tax matters. It currently includes American Samoa, Anguila, Barbados, Fiji, Guam, Palau, Panama, Samoa, Seychelles, Trinidad and Tobago, US Virgin Islands and Vanuatu. It was agreed at EU level that the EU Member States must implement defensive measures having a deterrent effect on the listed countries and territories.

In this respect, the Bill provides that interest and royalties paid or owed would not be deductible by the paying entity in Luxembourg where each of the following conditions are met:

(a) The beneficiary of the interest or royalties is a collective entity, as defined by Article 159 of the Luxembourg income tax law ("**LITL**"). A "collective entity" for these purposes is essentially a non-natural person not treated as tax transparent under Luxembourg law. If the beneficiary of the interest or royalties concerned is not their beneficial owner, the rules will apply to the actual beneficial owner;

(b) The collective entity, which is the beneficial owner, is an associated enterprise of the person owing the interest or royalties, within the meaning of Article 56 LITL; and

(c) the collective entity which is the beneficial owner of the interest or royalties is established in a country included in the list of non-cooperative countries and territories (the "**EU blacklist**").

The measure, if it passes into law, would be applied to interest and royalties paid or due as from 1 January 2021. Given the measure has not yet passed into law and may yet be altered or the subject of administrative guidance, the precise boundaries of its application are currently uncertain. However, as presently understood and on the assumption that no Noteholder which is affiliated either with MBFS or the Stichtingen which own the shares in the Issuer is resident in established in a country or territory on the EU blacklist, the measure is not expected to affect the ability of Issuer to obtain a tax deduction in Luxembourg for any payment of interest which it makes.

Withholding tax in respect of the Notes

Neither the Issuer nor any Agent will gross-up payments in the event that the payments on the Notes are or become subject to withholding taxes. See "*TAXATION*".

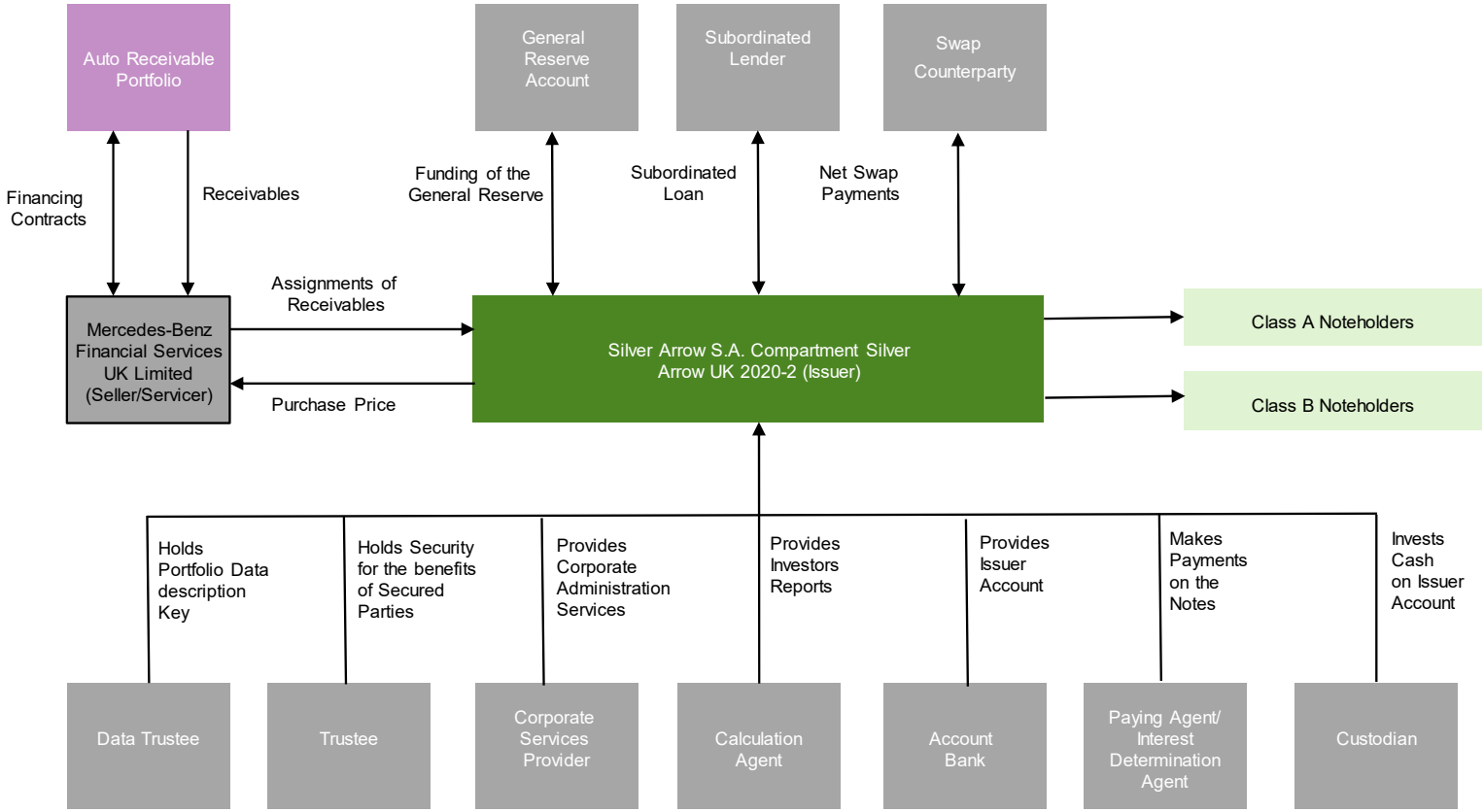
THE ISSUER BELIEVES THAT THE RISKS DESCRIBED ABOVE ARE THE PRINCIPAL RISKS FOR THE NOTEHOLDERS, BUT THE INABILITY OF THE ISSUER TO PAY INTEREST AND PRINCIPAL ON THE NOTES MAY OCCUR FOR OTHER REASONS AND THE ISSUER DOES NOT

REPRESENT THAT THE ABOVE STATEMENTS REGARDING THE RISK OF HOLDING THE NOTES ARE EXHAUSTIVE. ALTHOUGH THE ISSUER BELIEVES THAT THE VARIOUS STRUCTURAL ELEMENTS DESCRIBED IN THIS PROSPECTUS MITIGATE SOME OF THESE RISKS FOR THE NOTEHOLDERS, THERE CAN BE NO ASSURANCE THAT THESE MEASURES WILL BE SUFFICIENT TO ENSURE FULL PAYMENTS TO THE NOTEHOLDERS OF INTEREST AND PRINCIPAL ON A TIMELY BASIS OR AT ALL.

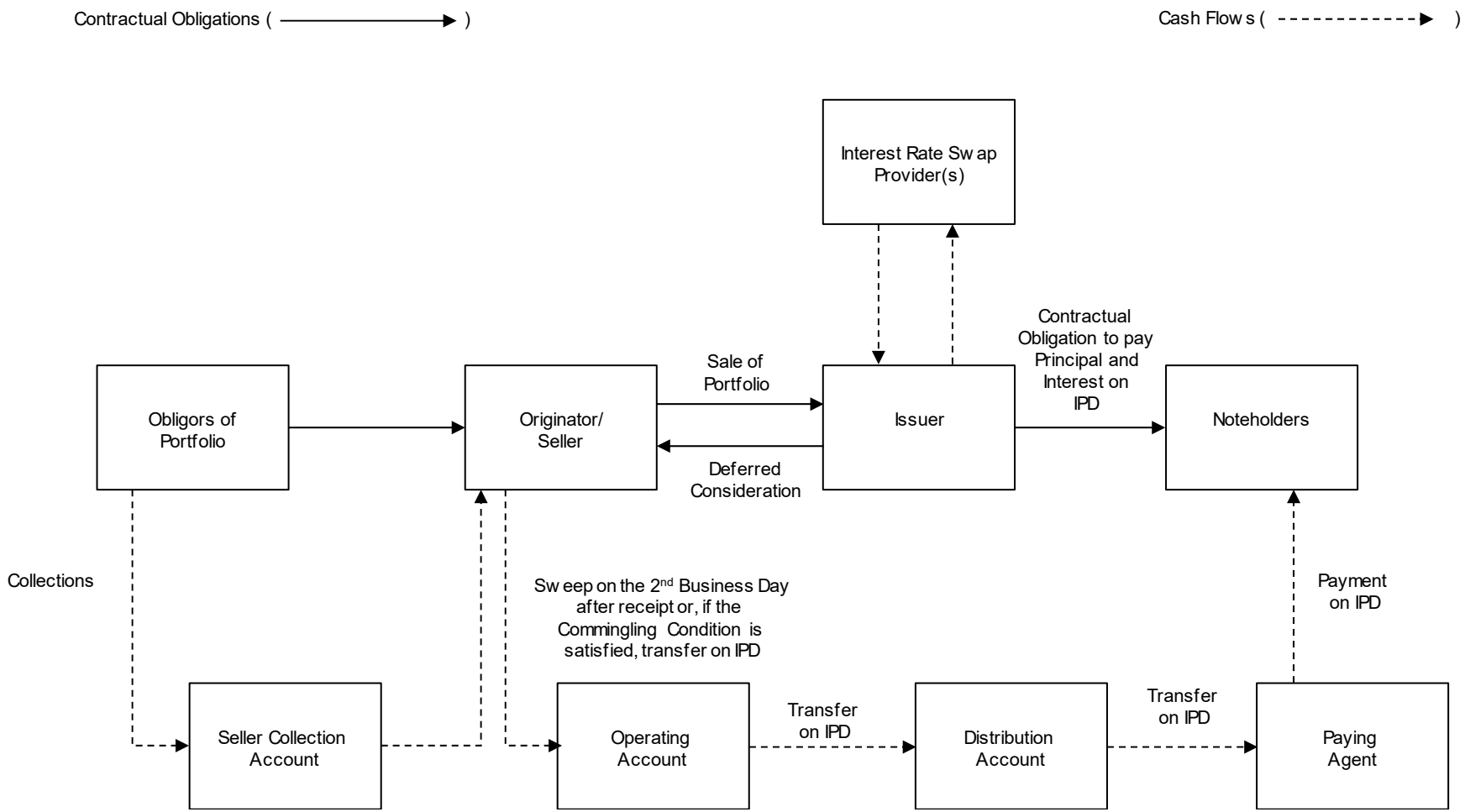
DIAGRAMMATIC OVERVIEW

These structure diagrams of Transaction UK 2020-2 are qualified in their entirety by reference to the more detailed information appearing elsewhere in this Prospectus.

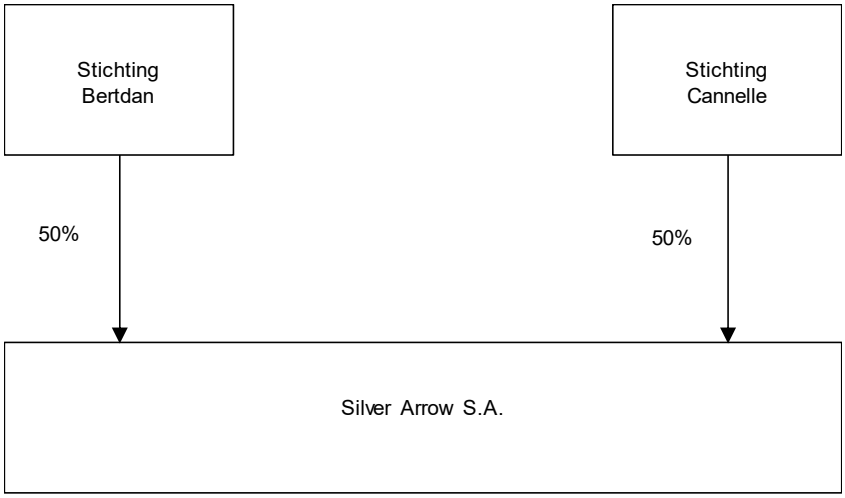
DIAGRAMMATIC OVERVIEW



DIAGRAMMATIC OVERVIEW OF ON-GOING CASH FLOW



DIAGRAMMATIC OVERVIEW OF THE OWNERSHIP



TRANSACTION PARTIES ON THE ISSUE DATE

Party	Name	Address	*Document under which appointed/Further Information*
Issuer	SILVER ARROW S.A., acting in respect of its Compartment Silver Arrow UK 2020-2	6, rue Eugène Ruppert, L-2453 Luxembourg	N/A
Seller/Originator	Mercedes-Benz Financial Services UK Limited	Delaware Drive, Tongwell, Milton Keynes, MK15 8BA	N/A
Servicer	Mercedes-Benz Financial Services UK Limited	Delaware Drive, Tongwell, Milton Keynes, MK15 8BA	Servicing Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION SA UK 2020-2 DOCUMENTS – 2. Servicing Agreement*" for further information.
Subordinated Lender	Mercedes-Benz Financial Services UK Limited	Delaware Drive, Tongwell, Milton Keynes, MK15 8BA	Subordinated Loan Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION SA UK 2020-2 DOCUMENTS – 3. Subordinated Loan Agreement*" for further information.
Calculation Agent	Elavon Financial Services DAC	Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland	Calculation Agency Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION SA UK 2020-2 DOCUMENTS – 5. Calculation Agency Agreement*" for further information.
Interest Rate Swap Provider	DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main	Platz der Republik, 60325 Frankfurt am Main, Germany	Swap Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION SA UK 2020-2 DOCUMENTS – 10. Swap Agreement*" for further information.

Party	Name	Address	*Document under which appointed/Further Information*
Account Bank	Elavon Financial Services DAC	Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland	Bank Account Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION SA UK 2020-2 DOCUMENTS – 9. Bank Account Agreement*" for further information.
Note Trustee	Wilmington Trust SP Services (Frankfurt) GmbH	Steinweg 3-5, 60313 Frankfurt am Main, Germany	Trust Deed. See the Section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION SA UK 2020-2 DOCUMENTS – 14. Trust Deed*" for further information.
Security Trustee	Wilmington Trust SP Services (Frankfurt) GmbH	Steinweg 3-5, 60313 Frankfurt am Main, Germany	Deed of Charge. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION SA UK 2020-2 DOCUMENTS – 12. Deed of Charge*" for further information.
Paying Agent	Elavon Financial Services DAC	Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland	Agency Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION SA UK 2020-2 DOCUMENTS – 6. Agency Agreement*" for further information.
Custodian	Elavon Financial Services DAC	Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland	Custody Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION SA UK 2020-2 DOCUMENTS – 10. Custody Agreement*" for further information.
Interest Determination Agent	Elavon Financial Services DAC	Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland	Agency Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION SA UK 2020-2 DOCUMENTS –*

Party	Name	Address	*Document under which appointed/Further Information*
			6. Agency Agreement" for further information.
Registrar	Elavon Financial Services DAC	Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland	Agency Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION SA UK 2020-2 DOCUMENTS – 6. Agency Agreement*" for further information.
Data Trustee	Data Custody Agent Services B.V.	Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands	Data Trust Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION SA UK 2020-2 DOCUMENTS – 4. Data Trust Agreement*" for further information.
Corporate Services Provider	Intertrust (Luxembourg) S.à r.l.	6, rue Eugène Ruppert, L-2453 Luxembourg	Corporate Services Agreement by the Issuer. See the section entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION SA UK 2020-2 DOCUMENTS – 8. Corporate Services Agreement*" for further information.
Arranger and Lead Manager	Banco Santander, S.A	2 Triton Square, Regent's Place, London, NW1 3AN, UK	N/A
Listing Authority and Stock Exchange	Luxembourg Stock Exchange	N/A	N/A
Clearing Systems	Clearstream Luxembourg and Euroclear	N/A	N/A
Rating Agencies	Fitch and DBRS	N/A	N/A

PORTFOLIO AND SERVICING

Sale of Portfolio	The Portfolio will consist of the Receivables and the Ancillary Rights which will be sold to the Issuer on the Issue Date. Each Purchased Receivable will be governed by English law.
Features of Purchased Receivables	The following is a summary of certain features of the Purchased Receivables as at the Cut-Off Date and investors should refer to, and carefully consider, further details in respect of the Purchased Receivables set out in "*Portfolio Characteristics and Historical Data*".
Purchase Price	Consideration payable by the Issuer in respect of the sale of the Portfolio shall be equal to the Purchase Price. The Purchase Price comprises the Initial Purchase Price which is payable by the Issuer to the Seller on the Issue Date and equals the Aggregate Outstanding Receivables Amount of the Receivables (together with their Ancillary Rights) on the Cut-Off Date and the Deferred Consideration which is payable on each Payment Date in accordance with the applicable Priority of Payments.
Representations and Warranties	As of the Purchase Date the Seller represents and warrants to the Issuer certain Seller Receivables Warranties including, among other things, that all Receivables (including, where relevant their Ancillary Rights) comply with the Eligibility Criteria on the Cut-off Date.
Repurchase of the Purchased Receivables	**Repurchase for breach** If it is determined that any Receivable (including, where relevant its Ancillary Rights) did not comply with the Eligibility Criteria as of the Cut-Off Date or the Seller has otherwise breached the Seller Receivables Warranties as of the Purchase Date the Seller will be required to repurchase all such affected Purchased Receivables no later than the next Payment Date following such determination by depositing or causing the Servicer to deposit, in the Issuer Account, in same day funds, an amount equal to the Repurchase Price for any such Purchased Receivable. The Repurchase Price shall be equal to the sum of the Outstanding Receivables Amounts of the affected Purchased Receivables. Upon receipt thereof, such Purchased Receivable (unless it is extinguished) will be automatically re-assigned by the Issuer to the Seller on the immediately following Payment Date on a non-recourse or guarantee basis on the part of the Issuer. The costs of such assignment will be borne solely by the Seller. **Other Repurchase** The Seller may re-purchase all of the Purchased Receivables in accordance with Condition 5(d) (*Clean-Up call*) if the Seller exercises the Clean-Up Call. The price payable for such Purchased Receivables shall be equal to the Repurchase Price.
Consideration for repurchase	Consideration payable by the Seller in respect of the repurchase of the Purchased Receivables shall be equal to the Repurchase Price.

MBUK Purchase

MBFS has entered into a purchase arrangement with MBUK (Cars) and a further purchase agreement with MBUK (Vans) under which MBUK (Cars) or MBUK (Vans) (as applicable) has agreed to purchase Vehicles relating to Financing Contracts which are subject to voluntary termination by the Obligor. Under the purchase arrangements, MBUK (Cars) or MBUK Vans (as applicable) will purchase:

(a) Vehicles which relate to Financing Contracts which are subject to Voluntary Termination at a purchase price equal to:

(i) the market value for such Vehicle (using an industry accepted reference), if, at such time as the Financing Contract is subject to voluntary termination, there are three (3) or more instalments under the Financing Contract remaining outstanding; or

(ii) the Optional Final Payment, if, at such time as the Financing Contract is subject to voluntary termination, there are less than three (3) instalments under the Financing Contract remaining outstanding; and

(b) Vehicles which relate to Redelivery PCP Contracts, **provided that** such purchase occurs within ninety (90) days of the maturity of such PCP Contract at a purchase price equal to:

(i) the Optional Final Payment, for any Vehicle which is purchased between 0 and 14 days after the maturity of the Financing Contract;

(ii) the Optional Final Payment less a late payment charge, for any Vehicle which is purchased between 15 and 90 days after the maturity of such PCP Contract.

Vehicles which are repossessed by MBFS, which relate to Financing Contracts subject to Early Settlement, or which relate to Redelivery PCP Contracts and are not purchased on or before ninety (90) days after maturity of the PCP Contract are not purchased by MBUK (Cars) or MBUK (Vans) (as applicable).

The Issuer has no rights under this purchase arrangement and there is no assurance that the purchase arrangement will not be amended or discontinued by MBFS, MBUK (Cars) or MBUK (Vans) in the future.

Rebate Payment in respect of Redelivery PCP Receivables and Voluntarily Terminated Receivables

The Seller shall, on the Payment Date immediately following the date falling 6 months after the date on which the Servicer has determined in accordance with the Credit and Collection Policy that any Purchased Receivable has become a Redelivery PCP Receivable or, as the case may be, a Voluntarily Terminated Receivable (the "**PCP/VT Payment Date**"):

(a) determine the amount of any related PCP/VT Deficit Amount; and

(b) pay to the Issuer, by way of rebate of the Purchase Price relating to the relevant Purchased Receivable, an amount equal to the PCP/VT Deficit Amount in respect of such Purchased Receivable.

For the avoidance of doubt, the Seller is not obliged to make such a payment in respect of any Financing Contract subject to Early Settlement.

Obligor Notification Events

Transfer of the legal title to the relevant Purchased Receivables will be completed on the occurrence of a Servicer Termination Event or Severe Deterioration Event.

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

Servicing of the Portfolio

The Servicer will be appointed by the Seller and the Issuer (and, in certain circumstances, the Security Trustee) to service the Portfolio on a day-to-day basis. The appointment of the Servicer may be terminated by the Issuer and the Security Trustee upon the occurrence of any of the following events (the "**Servicer Termination Events**"):

- the Seller or the Servicer is Insolvent;
- the Seller or the Servicer fails to make any payment or deposit required by the terms of the relevant Transaction SA UK 2020-2 Document within five (5) Business Days of the date such payment or deposit is required to be made;
- the Seller or the Servicer fails to perform any of its material obligations under the Receivables Purchase Agreement and/or the Servicing Agreement (other than a payment or deposit required), and such breach, if capable of remedy, is not remedied within twenty (20) Business Days of written notice from the Issuer or the Security Trustee; or
- any representation or warranty in the Receivables Purchase Agreement or in the Servicing Agreement or in any report provided by the Seller or the Servicer is materially false or incorrect, and such inaccuracy, if capable of remedy, is not remedied within twenty (20) Business Days of written notice from the Issuer or the Security Trustee and has a Material Adverse Effect in relation to the Issuer,

provided however that, the appointment of the Servicer will, subject to transition to a suitable successor, automatically terminate if the Servicer becomes Insolvent or the Servicer is prohibited from collecting the Purchased Receivables pursuant to any applicable law or regulation.

Pursuant to the terms of the Servicing Agreement, the Calculation Agent has agreed that it will facilitate the appointment of a suitable entity with all necessary facilities available to act as 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 terms of the Servicing Agreement, with the parties to the Servicing Agreement upon receipt of notice by the Servicer of the occurrence of a Servicer Termination Event.

Upon termination of the appointment of the Servicer and pursuant to the provisions of the Servicing Agreement, the Data Trustee shall have to, *inter alia*, at the request of the Issuer, despatch the Decryption Key to any successor Servicer or any agent, and the Issuer shall despatch the encrypted Portfolio Information to any successor Servicer or any agent.

Delegation

The Servicer may delegate some of its servicing functions to a third party **provided that** the Servicer remains responsible for the performance of any functions so delegated. See the section of this Prospectus entitled "*OVERVIEW OF THE PRINCIPAL TRANSACTION SA UK 2020-2 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 Compartment Silver Arrow 2020-2 Notes	Class B Compartment Silver Arrow 2020-2 Notes
Currency	GBP	GBP
Initial Outstanding Note Principal Amount	500,000,000.00	176,000,000.00
Rating Agencies	Fitch and DBRS	N/A
Anticipated ratings	AAA (sf) by DBRS / AAA (sf) by Fitch	N/A
Note Credit Enhancement	Subordination of the Class B Notes and the Subordinated Loan	Subordination of the Subordinated Loan
Reserve Credit Enhancement	General Reserve Required Amount	General Reserve Required Amount
Issue Price	100%	100%
Interest Reference Rate	(i) Compounded Daily SONIA plus (ii) Relevant Margin (the sum of (i) and (ii) being subject to a floor of zero)	1.30%
Relevant Margin	0.58%	N/A
Interest Accrual Method	Actual/365	Actual/365
Interest Determination Date	The date falling five (5) Business Days prior to the end of each Interest Period.	
Payment Dates	Interest will be payable monthly in arrears on the Payment Date falling on the twentieth day of each month, subject to the Business Day Convention.	

	Class A Compartment Silver Arrow 2020-2 Notes	Class B Compartment Silver Arrow 2020-2 Notes
Business Day Convention	Modified following	Modified following
First Payment Date	20 January 2021	20 January 2021
First Interest Period	The period commencing on (and including) the Issue Date and ending on (but excluding) the first Payment Date falling in January 2021	
Pre-Enforcement Priority of Payments	Sequential pass through redemption in accordance with the Pre- Enforcement Priority of Payments. Please refer to Condition 2 (*Status and Security*)	
Post-Enforcement Priority of Payments	Sequential pass through redemption in accordance with the Post- Enforcement Priority of Payments. Please refer to Condition 2 (*Status and Security*)	
Clean-Up Call	On any Payment Date (i) following the Determination Date on which the Aggregate Outstanding Receivables Amount is less than 10% of the Aggregate Outstanding Receivables Amount at the Cut-Off Date or (ii) on which the Class A Notes including any interest accrued but unpaid thereon are redeemed in full (*see Condition 5(d) Clean-Up call*)	
Other Early Redemption in full Events	Tax Event (*see Condition 5(b) Redemption for taxation and other reasons*)	
Final Redemption Date	Legal Maturity Date	Legal Maturity Date
Form of the Notes	Registered	Registered
Application for Listing and trading	Application for listing on the Official List of the Luxembourg Stock Exchange and admission to trading on the regulated market of the Luxembourg Stock Exchange	Application for listing on the Official List of the Luxembourg Stock Exchange and admission to trading on the regulated market of the Luxembourg Stock Exchange
ISIN	XS2257972930	XS2257973318
Common Code	225797293	225797331
Clearance/Settlement	Clearstream, Luxembourg and Euroclear	Clearstream, Luxembourg and Euroclear
	The Class A Notes will be issued under the NSS	The Class B Global Notes held by a common depositary for Clearstream, Luxembourg and Euroclear

	Class A Compartment Silver Arrow 2020-2 Notes	Class B Compartment Silver Arrow 2020-2 Notes
Minimum Denomination	£125,000	£125,000
Retained Amount	N/A	100% purchased by MBFS

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. The Class A Notes will rank senior to the Class B Notes as to payments of interest and principal at all times.

Security

The Notes are secured and will share the Security with the other Secured Obligations of the Issuer as set out in the Deed of Charge. The security granted by the Issuer includes:

(a) an assignment by way of first fixed security of all of its present and future right, title and interest to, in and under the Purchased Receivables;

(b) 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 Transaction Accounts together with all interest accruing from time to time thereon and the debts represented thereby;

(c) a first fixed charge over the benefit of each Eligible Security;

(d) assignment by way of first fixed security of the benefit of the Issuer under each English Transaction SA UK 2020-2 Documents (other than the Deed of Charge); and

(e) a first floating charge over all the assets and undertaking of the Issuer.

The Issuer will also, execute and deliver to the Security Trustee, and procure the execution and delivery to the Security Trustee by the Seller of, a Scottish Supplemental Charge of the Issuer's interest in the Scottish Trust and the Vehicle Sale Proceeds Floating Charge.

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

Vehicle Sale Proceeds Floating Charge

In respect of Financing Contracts relating to vehicles located in Scotland, to mitigate the risk where a Scottish Obligor exercises its option to return the vehicle at the end of the term in accordance with the terms of the PCP Contract or exercises its right of voluntary termination, the Seller will grant a floating charge (the "**Vehicle Sale Proceeds Floating Charge**") to be governed by Scottish law in favour of the Issuer in respect of the proceeds of sale of any vehicle located in Scotland returned to the Seller or repossessed by the Seller and subsequently sold.

	Class A Compartment Silver Arrow 2020-2 Notes	Class B Compartment Silver Arrow 2020-2 Notes
Interest Provisions	Please refer to "*Full Capital Structure of the Notes*" as set out above.	
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 for or on account of any taxes.	
Redemption	The Notes are subject to the following optional or mandatory redemption events: • mandatory redemption in whole on the Legal Maturity Date, as fully set out in Condition 5(a) (*Final Redemption*); • mandatory early redemption in part on any Payment Date commencing on the first Payment Date subject to availability of Available Distribution Amount in accordance with the applicable Priority of Payments, as fully set out in Condition 5(c) (*Mandatory early redemption in part*); • optional redemption exercisable by the Issuer in whole for tax reasons as fully set out in Condition 5(b) (*Redemption for taxation and other reasons*); and • mandatory redemption in whole on any Payment Date if the Seller exercises its Clean-Up Call, as fully set out in Condition 5(d) (*Clean-Up Call*). Any Note redeemed pursuant to the above redemption provisions will be redeemed at an amount equal to the 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.	
Issuer Event of Default	As fully set out in Condition 10 (*Issuer Events of Default*), which comprises (where relevant, subject to the applicable grace period): • the Issuer becomes Insolvent; • a default occurs in the payment of interest on any Payment Date in respect of the most senior class of Notes (and such default is not remedied within two (2) Business Days of its occurrence), subject to, in the case of payments on the Class B Notes only, the availability of the Available Distribution Amount to be paid in accordance with the Pre-enforcement Priority of Payments; • the Issuer fails to perform or observe any of its other material obligations under the Conditions or the Transaction SA UK 2020-2 Documents (other than the Subordinated Loan Agreement) and such failure continues for a period of thirty (30) days following written notice from the Note Trustee or any other Secured Parties; or	

- 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).

Insolvent, means, in respect of the Company, the Seller, the Servicer and the Security Trustee:

(a) the making of an assignment, assignation, trust, conveyance, composition of assets for the benefit of its creditors generally or any substantial portion of its creditors;

(b) the application for, filing of and/or seeking of, consents to, or acquiescence in, the appointment of a receiver, trustee, liquidator, administrator or similar official for it or a substantial portion of its property;

(c) the initiation of any case, action or proceedings before any court or Governmental Authority against the Company, the Seller, the Servicer, the Security Trustee or any Obligor under any applicable liquidation, administration, insolvency, composition, bankruptcy, receivership, dissolution, reorganisation, winding-up, relief of debtors or other similar laws and such proceedings are not being disputed in good faith with a reasonable prospect of discontinuing or discharging the same;

(d) the levy or enforcement of a distress, diligence or execution or other process upon or sued out against the whole or any substantial portion of the undertaking or assets of the Company, the Seller, the Servicer, the Security Trustee or any Obligor and such possession or process (as the case may be) shall not be discharged or otherwise shall not cease to apply within sixty (60) days;

(e) initiation or consent to any case, action or proceedings in any court or Governmental Authority relating to the Company, the Seller, the Servicer, the Security Trustee or any Obligor under any applicable liquidation, administration, insolvency, composition, bankruptcy, receivership, dissolution, reorganisation, winding-up, relief of debtors or other similar laws;

(f) filing of a petition or answer seeking reorganisation, liquidation, administration, dissolution or similar relief under any applicable statute, law or regulation in any jurisdiction;

(g) an order is made against the Company, the Seller, the Servicer, the Security Trustee or any Obligor or an effective resolution is passed for its winding-up; and

(h) the Company, the Seller, the Servicer, the Security Trustee or any Obligor is deemed generally unable to pay its debts within the meaning of any liquidation, insolvency, composition, reorganisation or other similar laws in the jurisdiction of its incorporation or establishment (**provided that**, for the avoidance of doubt, any assignment, assignation, charge, pledge or lien made by the Issuer for the benefit of the Security Trustee under the Deed of Charge shall not mean the Issuer is Insolvent).

	Class A Compartment Silver Arrow 2020-2 Notes	Class B Compartment Silver Arrow 2020-2 Notes
Enforcement	If an Issuer Event of Default has occurred and is continuing, the Note Trustee at its absolute discretion may, and, if so directed by the Controlling Class acting by way of a Written Resolution or by way of an Extraordinary Resolution, will give an Enforcement Notice to the Issuer, the Security Trustee, the Issuer Account Bank, the Calculation Agent 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 principal amount outstanding together with accrued interest. Upon any Enforcement 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*). Following the delivery of an Enforcement Notice the Security Trustee will, subject to being indemnified, have the right to enforce the Security.	
Limited Recourse	The Notes are limited recourse obligations of the Issuer, and, if not repaid in full, amounts outstanding are subject to a final write-off, which is described in more detail in Condition 7(g).	
Non-petition	The Noteholders shall not be entitled to take any steps (otherwise than in accordance with the Trust Deed and the Conditions): • to enforce the Security other than when expressly permitted to do so under Condition 11 (*Enforcement and non-petition*); or • to take or join in any steps against the Issuer to obtain payment of any amount due from the Issuer to it; or • until the date falling one year and one day after the Final Redemption Date, to initiate or join in initiating any Insolvency Proceedings in relation to the Issuer; or • to take any steps which would result in any of the Priorities of Payments not being observed.	
Governing Law	English law. Articles 470-1 to 470-19 of the Luxembourg Companies Law do not apply to the Notes or the representation of Noteholders.	

RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER SECURED PARTIES

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

Prior to an Issuer Event of Default

The Trust Deed contains provisions for convening separate meetings of each Class of the Noteholders meeting 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 $66^{2}/_{3}\%$ of votes cast (an "**Extraordinary Resolution**") of a modification of any of the provisions of the Trust Deed, the Deed of Charge or the Conditions.

Following an Issuer Event of Default

Following the occurrence of an Issuer Event of Default, the Controlling Class (defined below) acting by way of a Written Resolution or by way of an Extraordinary Resolution may direct the Note Trustee to give an Enforcement Notice to the Issuer, the Security Trustee, the Account Bank, the Calculation Agent and each 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 principal amount outstanding together with accrued interest.

"**Controlling Class**" will be holders of the Class A Notes as long as any Class A Notes are Outstanding. After the Class A Notes are paid in full, the holders of the Class B Notes.

"**outstanding**" means, for any Class, all the Notes of that Class issued other than:

(a) those which have been redeemed 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.

Noteholders Meeting provisions

	Initial meeting	*Adjourned meeting*
Notice Period:	20 clear days (and no more than 90 clear days)	10 clear days (and no more than 40 clear days)
Place of meeting:	Luxembourg or United Kingdom	
Quorum:	The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons holding or representing $66^{2}/_{3}\%$ of the principal amount of the relevant Class for the time being outstanding, except that, *inter alia*, the details of the Security, certain terms concerning the amount, currency and postponement of the due dates for payment of the Notes, modifying the Events of Default or Priority of Payments, the provisions concerning the quorum required at any meeting of the relevant Class of Noteholders and the provisions concerning the majority required to pass an Extraordinary Resolution (together, "**Special Quorum Resolutions**") may be modified only by resolutions passed at a meeting the quorum at which will be one or more persons holding or representing at least 75% of the principal amount of the relevant Class for the time being outstanding $66\ ^{2}/\%$ of votes cast for matters requiring Extraordinary Resolution	The quorum at any adjourned meeting will be whatever the principal amount of the Notes of the relevant Class so held or represented, except that in the case of Special Quorum Resolutions, the required quorum will be one or more persons holding or representing at least one-third in principal amount of the relevant Class for the time being outstanding.
Required majority:	An Extraordinary Resolution which, in the sole opinion of the Note Trustee affects two or	As for initial meeting

more classes of Noteholders and gives or may give rise to a conflict of interest between the holders of such classes of notes will be deemed to be passed only if it will be passed by at least 66 $^{2}/_{3}$% of holders of the more senior class outstanding so affected, **provided that** no resolution of Holders of the most senior Class outstanding which would have the effect of changing any due date for payment of principal and/or interest on such senior Notes, increasing the amount required to redeem each such senior Note, or the amount of interest payable on such senior Notes or changing the method of calculation therefore, releasing or substituting the Security or any part of the Security or altering this proviso will be effective unless sanctioned by an Extraordinary Resolution of Holders of all Classes of junior Notes.

Written Resolution: has the meaning given to it in Schedule 3 (*Provisions for meetings of Noteholders*) of the Trust Deed.

Matters requiring Extraordinary Resolution

An Extraordinary Resolution is required in the case of modification of any of the provisions of the Trust Deed, the Deed of Charge or the Conditions of the Notes.

Rights of modification without Noteholder consent

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 or sanction of the Noteholders (subject to (save in respect of a Modification pursuant to Condition 12(b)(ii)(6)) the requirements of Conditions 12(b)(ii)(8) to (10)) or the other Secured Parties, but subject to the receipt of written consent from each of the Secured Parties party to the Transaction SA UK 2020-2 Document being modified, to concur with the Issuer in making any modification to the Conditions and/or any Transaction SA UK 2020-2 Document that the Issuer considers necessary or (in the case of Condition 12(b)(ii)(7) only) advisable for the purpose of:

1. addressing any change in the criteria of one or more Rating Agencies, so as to maintain the credit ratings then assigned to the Class A Notes **provided that** the Issuer (or the Servicer on its behalf) certifies in writing that such modification is necessary to maintain the credit ratings then assigned to the Class A Notes;

2. ensuring compliance by Issuer, any Secured Creditor or the Notes with mandatory provisions of applicable law or regulation (including, without limitation, the EU Retention Requirements) **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 crafted solely to such effect;

3. enabling the Notes to be (or to remain) listed on the Luxembourg Stock Exchange, **provided that** the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

4. for so long as the Class A Notes are intended to be held in a manner which will allow for Eurosystem eligibility, maintaining such eligibility, **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. ensuring compliance by the Issuer or any other Transaction Party with any changes which are required to comply with the Securitisation Regulation, including as a result of the adoption of regulatory or implementing technical standards in relation to the Securitisation Regulation or any other legislation or regulations or official guidance in relation thereto, **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;

6. ensuring compliance with EMIR and/or the then subsisting technical standards under EMIR, or SFTR and/or the then subsisting technical standards under SFTR, **provided that** Issuer or the Servicer certify to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect; or

7. for changing the benchmark rate on the Class A Notes from the Applicable Benchmark Rate 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 there has been or there is reasonably expected to be a material disruption or cessation to the Applicable Benchmark Rate (including changing the benchmark rate referred to in any interest rate hedging agreement to align such rate with the proposed change to the Applicable Benchmark Rate in respect of such Notes or other such consequential amendments);

In relation to any amendment under (1) to (5) and (7) above (a "**Proposed Amendment**"), the Issuer is required to give at least forty (40) calendar days' notice to the Noteholders of each Class of Notes of the proposed modification in accordance with Condition 15 (*Notices*). However, Noteholders should be aware that, in relation to each Proposed Amendment, unless Noteholders representing at least 10% of the of the principal amount of the Controlling Class outstanding on the Modification Record Date have contacted the Issuer in writing (or in any other manner as the Registrar and Clearstream, Luxembourg and/or Euroclear, as the case may be, approve for this purpose) within such notification period notifying the Issuer or the Note Trustee that such Noteholders do not consent to the Modification or Benchmark Rate Modification, the modification in respect of such Class of Notes will be passed without Noteholder consent.

If Noteholders representing at least 10% of the principal amount of the Controlling Class outstanding on the Modification Record Date have notified the Issuer or the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they

do not consent to the Modification, then such Modification will not be made unless an Extraordinary Resolution of the holders of the most senior class of Notes outstanding on the Modification Record Date is passed in favour of such Modification in accordance with Schedule 4 (*Provisions for Meetings of the Noteholders*) to the Trust Deed.

In addition, the Note Trustee may, without the consent of the Noteholders or the other Secured Parties (subject to those matters requiring a Special Quorum Resolution), concur with the Issuer or any other person in making any modification:

(i) to the Conditions or any Transaction SA UK 2020-2 Document which in the opinion of the Note Trustee will not be materially prejudicial to the interests of the Noteholders; or

(ii) to the Conditions or any Transaction SA UK 2020-2 Document if in the opinion of the Note Trustee such modification is of a formal, minor or technical nature, to correct a manifest error or to comply with law.

Relationship between Classes of Noteholders

The Class A Notes will rank in priority to the Class B Notes.

Except in respect of certain matters set out in Condition 12 (*Meetings of Noteholders, amendments, waiver, substitution and exchange*) and the Trust Deed, an Extraordinary Resolution of Noteholders of the most senior class of Notes shall be binding on all other Classes. For further details see Condition 12 (*Meetings of Noteholders, amendments, waiver, substitution and exchange*).

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*).

Originator/Seller as Noteholder

For each of the purposes in (i), (ii) and (iii) above in the section "*RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER SECURED PARTIES - Following an Issuer Event of Default*" 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.

Relationship between Noteholders and other Secured Parties

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

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

Provision of Information to the Noteholders

For more information on Monthly Reports, please see the section "*OVERVIEW OF THE PRINCIPAL TRANSACTION SA UK 2020-2 DOCUMENTS – Servicing Agreement*" and "*GENERAL INFORMATION*" and "*COMPLIANCE WITH ARTICLE 5 OF THE SECURITISATION REGULATION*".

Communication with Noteholders

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/or the Class B Notes 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.

CREDIT STRUCTURE AND CASHFLOW

Please refer to sections, "OVERVIEW OF THE PRINCIPAL TRANSACTION SA UK 2020-2 DOCUMENTS", "OVERVIEW OF THE CONDITIONS OF THE NOTES" of the Prospectus for further detail in respect of the credit structure and cash flow of the transaction

Available Distribution Amount

The "**Available Distribution Amount**" means, with respect to any Payment Date, the sum of:

(a) the Collections received during the immediately preceding Collection Period;

(b) the amount standing to the credit of the General Reserve Account, including any realisation proceeds from Eligible Securities;

(c) the Net Swap Receipts payable by the Swap Counterparty to the Issuer on the Payment Date; and

(d) any other amount standing to the credit of the Distribution Account (other than the Retained Profit Ledger), including any interest accrued on such amounts.

Summary of Priority of Payments

Below is a summary of the relevant payment priorities. Full details of the payment priorities are set out in Condition 2 (*Status and Security*).

Pre-Enforcement Priority of Payments	**Post-Enforcement Priority of Payments**
Prior to the issuance of an Enforcement Notice by the Note Trustee, the Issuer will distribute the Available Distribution Amount on each Payment Date in accordance with the following Pre-enforcement Priority of Payments:	After the issuance of an Enforcement Notice by the Note Trustee, the Security Trustee will apply the Available Distribution Amount on each Payment Date towards the discharge of the claims of the Noteholders and the other creditors of the Issuer in accordance with the following Post-enforcement Priority of Payments:
first, to retain on the Retained Profit Ledger a profit for the Issuer of £100 from which the Issuer will discharge its corporate income or corporation tax liability (if any);	*first*, to retain on the Retained Profit Ledger a profit for the Issuer of £100 from which the Issuer will discharge its corporate income or corporation tax liability (if any);
second, to pay or provide for (a) any Luxembourg net wealth tax payable by the Issuer, and (b) any other taxes payable by the Issuer which cannot be discharged from the profit retained on the Retained Profit Ledger;	*second*, to pay or provide for (a) any Luxembourg net wealth tax payable by the Issuer, and (b) any other taxes payable by the Issuer which cannot be discharged from the profit retained on the Retained Profit Ledger;
third, to pay or provide for any due and payable amounts to the Note Trustee under or in connection with the Trust Deed and to the Security Trustee under or in connection with the Deed of Charge, in each case including amounts due and payable under the relevant fee letter;	*third*, to pay any due and payable amounts to the Note Trustee under or in connection with the Trust Deed and to the Security Trustee under or in connection with the Deed of Charge, in each case including amounts due and payable under the relevant fee letter;

fourth, to pay or provide for (on a *pro rata* and *pari passu* basis) any due and payable Administration Expenses and any Administrator Recovery Incentive;	*fourth*, to pay (on a *pro rata* and *pari passu* basis) any due and payable Administration Expenses and any Administrator Recovery Incentive;
fifth, to pay any due and payable Servicing Fee;	*fifth*, to pay any due and payable Servicing Fee;
sixth, to pay any due and payable Net Swap Payments and Swap Termination Payments under the Swap Agreement **provided that** the Swap Counterparty is not the defaulting party (as defined in the Swap Agreement) and there has been no termination of the Swap Agreement (due to a termination event relating to the Swap Counterparty's downgrade);	*sixth*, to pay any due and payable Net Swap Payments and Swap Termination Payments under the Swap Agreement (**provided that** the Swap Counterparty is not the defaulting party (as defined in the Swap Agreement) and there has been no termination of the Swap Agreement (due to a termination event relating to the Swap Counterparty's downgrade));
seventh, to pay (on a *pro rata* and *pari passu* basis) any due and payable Class A Interest Amount on the Class A Notes and any Class A Interest Shortfall;	*seventh*, to pay (on a *pro rata* and *pari passu* basis) any due and payable Class A Interest Amount on the Class A Notes and any Class A Interest Shortfall;
eighth, an amount equal to the General Reserve Required Amount to the General Reserve Account;	*eighth*, to pay (on a *pro rata* and *pari passu* basis) the redemption of the Class A Notes until the Aggregate Outstanding Note Principal Amount of the Class A Notes is reduced to zero;
ninth, to pay (on a *pro rata* and *pari passu* basis) the Class A Principal Redemption Amount in respect of the redemption of the Class A Notes until the Aggregate Outstanding Note Principal Amount of the Class A Notes is reduced to zero;	*ninth*, to pay (on a *pro rata* and *pari passu* basis) any due and payable Class B Interest Amount on the Class B Notes and any Class B Interest Shortfall;
tenth, to pay (on a *pro rata* and *pari passu* basis) any due and payable Class B Interest Amount on the Class B Notes and any Class B Interest Shortfall;	*tenth*, to pay (on a *pro rata* and *pari passu* basis) the redemption of the Class B Notes until the Aggregate Outstanding Note Principal Amount of the Class B Notes is reduced to zero;
eleventh, to pay (on a *pro rata* and *pari passu* basis) the Class B Principal Redemption Amount in respect of the redemption of the Class B Notes until the Aggregate Outstanding Note Principal Amount of the Class B Notes is reduced to zero;	*eleventh*, to pay any due and payable interest amount on the Subordinated Loan;

twelfth, to pay any due and payable interest amount on the Subordinated Loan;	*twelfth*, to pay any due and payable principal amounts on the Subordinated Loan until the Subordinated Loan is reduced to zero;
thirteenth, to pay the Subordinated Loan Redemption Amount in respect of the redemption of the Subordinated Loan until the Subordinated Loan is reduced to zero;	*thirteenth*, to pay any indemnity payments to any party under the Transaction SA UK 2020-2 Documents;
fourteenth, to pay any indemnity payments to any party under the Transaction SA UK 2020-2 Documents;	*fourteenth*, to pay to the Swap Counterparty any payments due under the Swap Agreement other than those made under the sixth item above; and
fifteenth, to pay to the Swap Counterparty any payments due under the Swap Agreement other than those made under the sixth item above; and	*fifteenth*, to pay the Deferred Consideration to the Seller.
sixteenth, to pay the Deferred Consideration to the Seller.	

General Credit Structure

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

Operating Account

The Operating Account of the Issuer will be maintained with the Account Bank.

If (and for so long as) the Commingling Condition is satisfied, the Servicer will be required to remit all Collections standing to the credit of the Seller Collection Account on any Payment Date in respect of the immediately preceding Collection Period, to the Operating Account on such Payment Date; or if and so long as the Commingling Condition is not satisfied, the Servicer will be required to remit all Collections standing to the credit of the Seller Collection Account in respect of a Collection Period, to the Operating Account within two (2) Business Days after the receipt thereof or as otherwise directed by the Issuer or the Security Trustee.

On each Payment Date the Calculation Agent shall transfer amounts representing Collections for the relevant Collection Period together with any net investment earnings on the Operating Account (if any) into the Distribution Account for application by the Calculation Agent in accordance with the applicable Priority of Payments.

General Reserve Account

The General Reserve Account of the Issuer will be maintained with the Account Bank.

The amount standing to the credit of the General Reserve Account as of the Issue Date will be £5,408,000.00. This amount will be credited on the Purchase Date from the Subordinated Loan proceeds received on such date.

On each Payment Date, prior to the issuance of an Enforcement Notice, the Issuer will credit to the General Reserve Account an amount such that the amount standing to the credit of the General Reserve Account is equal to the General Reserve Required Amount, subject to funds being available at item (vi) of the Pre-enforcement Priority of Payments.

The amounts standing to the credit of the General Reserve Account from time to time will serve as liquidity support for the Class A Notes throughout the life of the transaction and will eventually serve as credit enhancement to the Notes.

Following an Enforcement Event the balance standing to the credit of the General Reserve Account may be applied in accordance with the Post-enforcement Priority of Payments.

Swap Collateral Account

The Swap Collateral Account of the Issuer will be maintained with the Account Bank.

If the Swap Counterparty ceases to be an Eligible Swap Counterparty, the Swap Counterparty 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.

The deposit in the Swap Collateral Account shall not constitute Collections and shall provide collateral solely for the payment obligations of the Swap Counterparty to the Issuer under the Swap Agreement and not any obligations of the Issuer.

The amounts in the Swap Collateral Account will be applied in or towards satisfaction of the Swap Counterparty's obligations to the Issuer upon termination of the Swap Agreement. Any Excess Swap Collateral shall not be available to Secured Parties and shall be returned to such Swap Counterparty outside the Priority of Payments.

On each Payment Date, any amount standing to the credit of the Swap Collateral Account which constitute Excess Swap Collateral will be paid back by the Issuer to the Swap Counterparty outside the Priority of Payments.

Distribution Account

The Distribution Account will be maintained with the Issuer Account Bank.

On each Payment Date the Calculation Agent shall transfer amounts representing Collections for the relevant Collection Period together with any net investment earnings on the Operating Account (if any) into the Distribution Account.

Amounts representing Collections for the relevant Collection Period together with other items comprising the Available Distribution Amount shall be applied by the Calculation Agent in accordance with the applicable Priority of Payments.

On each Payment Date, in accordance with the Priority of Payments, the Calculation Agent will pay to the Retained Profit Ledger any Retained Profit in accordance with the applicable Priority of Payments. Amounts may be debited from the Retained Profit Ledger from time to time to make payments in respect of corporate income or corporation tax to any relevant taxing or fiscal authority or agency and, thereafter, any dividend payments to the Issuer's shareholder.

Cash Management

For the purposes of the foregoing:

Collections

Means, without double counting:

(a) all amounts received by the Seller or the Servicer with respect to all Purchased Receivables and credited to the Operating Account;

(b) any amounts received by the Seller or the Servicer in respect of the Ancillary Rights (including, but not limited to, Insurance Proceeds);

(c) any other amounts received by the Seller (including any Vehicle Sale Proceeds) net of any expense of recovery, repair and sale in accordance with the Credit and Collection Policy, in connection with the sale and disposition of a Vehicle relating to a Purchased Receivable;

(d) any Recovery Collections received by the Seller or the Servicer in respect of any Purchased Receivable that is also a Defaulted Receivable; and

(e) any Repurchase Price and PCP/VT Deficit Amount paid by the Seller,

in each case other than any Excluded Amounts.

Ancillary Rights

Means, in relation to a Receivable all rights of the Seller associated with such Receivable including:

(a) all rights to receive and obtain payment under the Financing Contract for such Receivable including the right to demand, sue for, recover, receive and give receipts for all amounts due and to become due whether or not from Obligors or guarantors under or relating to the Financing Contract to which such Receivable relates and all guarantees (if any);

(b) the benefit of:

(i) all covenants and undertakings from Obligors and from guarantors relating to the Financing Contract to which such Receivable arises and under all guarantees;

(ii) all causes and rights of actions against Obligors and guarantors under and relating to the Financing Contract to which such Receivable relates and under and relating to all guarantees (if any);

(iii) other rights, title, interest, powers and benefits of the Seller into, under, pursuant to or in relation to such Financing Contract other than, save as otherwise provided in (d), rights specifically relating to the Vehicle itself (with such rights specifically relating to the Vehicle including, without limitation, the right of ownership);

(c) the right to any Insurance Proceeds received by the Seller or its agents pursuant to any Insurance Claims arising in respect of the Financing Contract to which such Receivable and the benefit of any other rights the Seller may have under any insurance policy in respect of the Financed Vehicle to which such Receivable relates; and

(d) the benefit of any rights, title, interest, powers and benefits of the Seller in and to Vehicle Sale Proceeds,

including, in each case, all monies derived therefrom.

Excluded Amounts

comprise the following which are not sold to the Issuer:

(a) amounts arising under a Financing Contract in respect of (a) charges payable as a result of a late payment of a Receivable owing under such Financing Contract or late return of a Financed Vehicle to MBFS, (b) fees for any extension of the term of that Financing Contract, and (c) any other administrative fees payable under that Financing Contract (other than charges for incomplete service history or missing vehicle holder's certificate on return of the Financed Vehicle);

(b) any credit protection, asset value or other insurance premiums payable by Obligors to the relevant insurers via MBFS; and

(c) any VAT rebates received by MBFS in respect of the sale of any Vehicles relating to a Receivable.

TRIGGERS TABLES

Rating Triggers Table

Transaction Party	Required Ratings/Triggers	Possible effects of Trigger being breached include the following
Account Bank	**Short-term ratings** **Long-term ratings** "A" or a DBRS Critical Obligations Rating of "A(high)" (or, if its long-term debt rating is not publicly rated by DBRS, but is rated by at least any one of Fitch, Moody's and S&P, the DBRS Equivalent Rating with respect to its long-term debt obligations) from DBRS. "F1" from Fitch; "A" from Fitch.	The consequence of the Account Bank no longer having the Required Rating shall be that the Account Bank is required immediately to notify the Issuer of such event and to take certain remedial actions within the required time frame as set out in the terms of the Bank Account Agreement. Such remedial actions are as follows: (a) procure the transfer of the Issuer Transaction Accounts to another bank which has the Required Rating; or (b) to the extent possible, provide a guarantee from an entity with the Required Rating, guaranteeing the obligations of the Account Bank under the Bank Account Agreement.
Servicer	(a) in respect of DBRS, either (A) the long-term unsecured, unsubordinated and unguaranteed debt obligations of MBFS are assigned a rating of at least BBB(low) by DBRS or (B) the long-term unsecured debt of Daimler Aktiengesellschaft (or any of its successors as holder, directly or indirectly, of 100% of the share capital in the Servicer) is rated at least BBB(low) from DBRS; and (b) in respect of Fitch, either (A) the long-term unsecured, unsubordinated and unguaranteed debt obligations of MBFS are assigned a rating of at least "BBB" by Fitch or (B) the short-term unsecured, unsubordinated and unguaranteed debt obligations of MBFS are assigned a rating of at least "F2" by Fitch or (C) the long-term unsecured debt of Daimler Aktiengesellschaft is rated at least "BBB" from Fitch or (D) the short-term unsecured, unsubordinated and unguaranteed debt obligations of Daimler Aktiengesellschaft are assigned a rating of at least "F2" by Fitch; and (c) Daimler Aktiengesellschaft owns, directly or indirectly, 100% of the share capital of MBFS in its	The Servicer will be required to remit all Collections in respect of a Collection Period standing to the credit of the Seller Collection Account to the Operating Account within two (2) Business Days after receipt thereof.

Transaction Party	Required Ratings/Triggers	Possible effects of Trigger being breached include the following
	capacity as the Seller and Servicer, and the profit and loss transfer agreement between Daimler Aktiengesellschaft and MBFS in its capacity as the Seller and the Servicer remains in place.	
Swap Counterparty	**Collateral Trigger** The Swap Counterparty has: (a) long-term unsecured, unguaranteed and unsubordinated debt obligations which are rated by DBRS, or DBRS Critical Obligation Ratings of, at least "A" (by way of public rating) **provided that** if the Swap Counterparty is not rated by DBRS, a rating from Fitch, Moody's or S&P at least equal to "A" by DBRS as specified in the Swap Agreement; and (b) (i) a short-term, issuer default rating by Fitch of at least F1; or (ii) either a derivative counterparty rating ("**DCR**") (if assigned and applicable) or long-term issuer default rating by Fitch of at least A.	The consequence of the Swap Counterparty no longer having either or both of the DBRS or Fitch requisite ratings, shall be that the Swap Counterparty has to take certain remedial actions within the required time frame as set out in the terms of the Swap Agreement. Such remedial actions are as follows: (a) post collateral or (b) (i) procure a transfer to an Eligible Swap Counterparty or (ii) procure a guarantee from an eligible guarantor in respect of its obligations, under the Swap Agreement or (iii) take such other action as required to maintain or restore the ratings of the Class A Notes by DBRS or Fitch (as applicable).
	Transfer Trigger The Swap Counterparty has: (a) long-term unsecured, unguaranteed and unsubordinated debt obligations which are rated by DBRS, or DBRS Critical Obligation Ratings of, at least "BBB" (by way of public rating) provided that if the Swap Counterparty is not rated by DBRS, a rating from Fitch, Moody's or S&P at least equal to "BBB" by DBRS as specified in the Swap Agreement; and (b) (i) a short-term, issuer default rating by Fitch of at least F3; or (ii) either a DCR (if assigned and applicable) or long-term issuer default rating by Fitch of at least BBB-.	The consequence of the Swap Counterparty no longer having either or both of the DBRS or Fitch requisite ratings shall be that the Swap Counterparty has to take certain remedial actions within the required time frame as set out in the terms of the Swap Agreement. Such remedial actions are as follows: (a) use commercially reasonable efforts to (i) procure a transfer to an Eligible Swap Counterparty or (ii) procure a guarantee from an eligible guarantor in respect of its obligations, under the Swap Agreement or (iii) take such other action as required to maintain or restore the ratings of the Class A Notes by DBRS or Fitch (as applicable) and (b) as long as the remedial actions of limb (a) have not been put into place, to post or continue to post collateral.

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) the Seller or the Servicer is Insolvent; (b) the Seller or the Servicer fails to make any payment or deposit required by the terms of the relevant Transaction SA UK 2020-2 Documents within five (5) Business Days of the date such payment or deposit is required to be made; (c) the Seller or the Servicer fails to perform any of its material obligations under the Receivables Purchase Agreement and/or the Servicing Agreement (other than a payment or deposit required), and such breach, if capable of remedy, is not remedied within twenty (20) Business Days of written notice from the Issuer or the Security Trustee; or (d) any representation or warranty in the Receivables Purchase Agreement or in the Servicing Agreement or in any report provided by the Seller or the Servicer is materially false or incorrect, and such inaccuracy, if capable of remedy, is not remedied within twenty (20) Business Days of written notice from the Issuer or the Security Trustee and has a Material Adverse Effect in relation to the Issuer.	Termination of the appointment of the Servicer.
Severe Deterioration Event	Where all or any part of the property, business, undertakings, assets or revenues of the Seller having an aggregate value in excess of £60,000,000 having been attached as a result of any distress, execution or diligence being levied or any encumbrancer taking possession or similar attachment and such attachment having not been lifted within 30 days, unless such event will not materially prejudice the ability of the Seller to observe or perform its obligations under the Transaction Documents or the enforceability or	

Nature of Trigger	Description of Trigger	Consequence of Trigger
	collectability of the Purchased Receivables.	
Obligor Notification Event	Following the occurrence of a Servicer Termination Event or a Severe Deterioration Event the Issuer may request the Servicer to notify the obligors in respect of the assignment of the Purchased Receivables to the Issuer.	The Servicer shall deliver an Obligor Notification Event Notice within three (3) Business Days from the occurrence of an Obligor Notification Event. Should the Servicer fail to notify the Obligors within three (3) Business Days, the Issuer (or an agent appointed on its behalf and subject to the Data Protection Laws) shall promptly notify the relevant Obligors within five (5) business days.
Issuer Event of Default	The occurrence of any of the following events: (a) the Issuer becomes Insolvent; (b) a default occurs in the payment of interest on any Payment Date in respect of the most senior class of Notes (and such default is not remedied within two (2) Business Days of its occurrence), subject to, in the case of payments on the Class B Notes only, the availability of the Available Distribution Amount to be paid in accordance with the Pre-enforcement Priority of Payments; or (c) the Issuer fails to perform or observe any of its other material obligations under the Conditions or the Transaction SA UK 2020-2 Documents (other than the Subordinated Loan Agreement) and such failure continues for a period of thirty (30) days following written notice from the Security Trustee or any other Secured Parties; or (d) 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	If an Issuer Event of Default has occurred and is continuing, the Note Trustee at its absolute discretion may, and, if so directed by the Controlling Class acting by way of a Written Resolution or by way of an Extraordinary Resolution, will give an Enforcement Notice to the Issuer, the Security Trustee, the Issuer Account Bank, the Calculation Agent 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 principal amount outstanding together with accrued interest. Following the delivery of an Enforcement Notice the Notes will be automatically declared to be immediately due and payable and the Security Trustee will subject to being indemnified have the right to enforce the Security.

Nature of Trigger	Description of Trigger	Consequence of Trigger
	the Deed of Charge (or with respect thereto).	

COMPLIANCE WITH ARTICLE 5 OF THE SECURITISATION REGULATION

The Securitisation Regulation imposes certain due-diligence requirements on institutional investors aimed at allowing them to properly assess the risks arising from securitisations.

Particularly, each investor and potential investor in the Notes being an Institutional Investor (as defined below) shall, comply with the due diligence requirements established by Article 5 of the Securitisation Regulation (Due-diligence requirements for institutional investors) (the "**Due-diligence Requirements**").

Under the Securitisation Regulation an '*institutional investor*' is an investor which is one of the following:

(a) an insurance undertaking as defined in point (1) of article 13 of Directive 2009/138/EC;

(b) a reinsurance undertaking as defined in point (4) of article 13 of Directive 2009/138/EC;

(c) an institution for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 of the European Parliament and of the Council (1) in accordance with article 2 thereof, unless a Member State has chosen not to apply that Directive in whole or in parts to that institution in accordance with article 5 of that Directive; or an investment manager or an authorised entity appointed by an institution for occupational retirement provision pursuant to article 32 of Directive (EU) 2016/2341;

(d) an alternative investment fund manager (AIFM) as defined in point (b) of article 4(1) of Directive 2011/61/EU that manages and/or markets alternative investment funds in the Union;

(e) an undertaking for the collective investment in transferable securities (UCITS) management company, as defined in point (b) of article 2(1) of Directive 2009/65/EC;

(f) an internally managed UCITS, which is an investment company authorised in accordance with Directive 2009/65/EC and which has not designated a management company authorised under that Directive for its management; and

(g) a credit institution as defined in point (1) of article 4(1) of Regulation (EU) No 575/2013 for the purposes of that Regulation or an investment firm as defined in point (2) of article 4(1) of that Regulation,

hereinafter each, an "**Institutional Investor**".

The following paragraphs set out a summary of the Due-diligence Requirements.

Investor's duties prior to purchasing and holding any Notes

Pursuant to the Due-diligence Requirements, prior to the purchasing and holding any Notes, each investor and potential investor in the Notes being an Institutional Investor shall, *inter alia*:

(a) verify that the Originator grants all the receivables giving rise to the Purchased Receivables on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those receivables and has effective systems in place to apply those criteria and processes in accordance with Article 9(1) of the Securitisation Regulation;

(b) verify that (i) the Originator retains on an ongoing basis a material net economic interest in accordance with Article 6 of the Securitisation Regulation and (ii) the risk retention is disclosed to the Institutional Investor in accordance with Article 7 of the Securitisation Regulation. For further details, please see the sections entitled "*Compliance with Article 6 of the Securitisation Regulation*" and "*Compliance with Article 7 of the Securitisation Regulation*";

(c) verify that the Reporting Entity has made available the information required by Article 7 of the Securitisation Regulation in accordance with the frequency and modalities contained therein. For further details, please see the section entitled "*Compliance with Article 7 of the Securitisation Regulation*";

(d) carry out a due-diligence assessment enabling it to assess the risks involved and considering at least all of the following:

(i) the risk characteristics with respect to either the Class A Notes or the Class B Notes and the Purchased Receivables;

(ii) all the structural features of the Securitisation that can materially impact the performance of the Notes, including the Priority of Payments, credit enhancements, liquidity enhancements, market value triggers, and transaction-specific definitions of default; and

(iii) the compliance of the Transaction with the STS Requirements and the requirements provided for in Article 27 of the Securitisation Regulation provided that Institutional Investors may rely to an appropriate extent on the STS Notification pursuant to Article 27(1) of the Securitisation Regulation and any information disclosed by the Originator, the Arranger and the Issuer, on the compliance with the STS Requirements, without solely or mechanistically relying on that notification or information.

Investor's duties after purchasing and while holding the Notes

Pursuant to the Due-diligence Requirements, after purchasing and while holding any Notes, each investor and potential investor in the Notes being an Institutional Investor shall, *inter alia*:

(a) establish appropriate written procedures that are proportionate to the risk profile of the Notes and, where relevant, to the Institutional Investor's trading and non-trading book, in order to monitor, on an ongoing basis, compliance with the duties described under the preceding Paragraph entitled "*Investor's duties prior to purchasing and holding any Notes*" and the performance of the Notes and of the Purchased Receivables, in each case in accordance with Article 5 of the Securitisation Regulation;

(b) regularly perform stress tests on the cash flows and collateral values supporting the Purchased Receivables or, in the absence of sufficient data on cash flows and collateral values, stress tests on loss assumptions, having regard to the nature, scale and complexity of the risk of the Notes;

(c) ensure internal reporting to its management body so that the management body is aware of the material risks arising from the Notes and so that those risks are adequately managed; and

(d) be able to demonstrate to its competent authorities, upon request, that it has a comprehensive and thorough understanding of the Notes and the Purchased Receivables and that it has implemented written policies and procedures for the risk management of the Notes and for maintaining records of the verifications and due diligence in accordance with paragraphs 1 (a), (b) and (c) and of any other relevant information.

COMPLIANCE WITH ARTICLE 6 OF THE SECURITISATION REGULATION

Retention statement

The Originator confirms that it has covenanted with the Issuer and the Note Trustee under the Receivables Purchase Agreement that the Originator will, for the life of the Transaction, retain a material net economic interest of not less than 5% in the Transaction in accordance with Article 6(3)(d) of the Securitisation Regulation (which does not take into account any corresponding national measures) and will not enter into any credit risk mitigation, short position or any other credit hedge or sale with respect to the Retained Interest, provided that the level of retention may reduce over time in compliance with Article 10(2) of the Commission Delegated Regulation specifying the risk retention requirements pursuant to Article 6 of the Securitisation Regulation, each as interpreted and applied on the Issue Date. As of the Issue Date, such interest will, in accordance with Article 6(3)(d) of the Securitisation Regulation, be retained through the holding of the Class B Notes and the Subordinated Loan.

COMPLIANCE WITH ARTICLE 7 OF THE SECURITISATION REGULATION

Introduction

Pursuant to Article 7(1) of the Securitisation Regulation, the Originator and the Issuer shall make available to holders of a securitisation position in the Transaction, including the Noteholders, to the competent authorities referred to in Article 29 of the Securitisation Regulation and, upon request, to potential investors the following information:

(a) information on the Purchased Receivables on a quarterly basis;

(b) all underlying documentation that is essential for the understanding of the Transaction;

(c) the STS Notification;

(d) investor reports containing the following:

  (i) all materially relevant data on the credit quality and performance of the Purchased Receivables;

  (ii) information on events which trigger changes in the Priority of Payments or the replacement of any counterparties, and data on the cash flows generated by the Purchased Receivables and by the liabilities of the Transaction; and

  (iii) information about the risk retained, including information on which of the modalities provided for in Article 6(3) of the Transaction has been applied, in accordance with Article 6 of the Securitisation Regulation.

(e) without undue delay, any inside information relating to the Transaction that the Originator or the Issuer is obliged to make public in accordance with Article 17 of Regulation (EU) No 596/2014 on insider dealing and market manipulation;

(f) without undue delay, where point (e) does not apply, any significant event such as:

  (i) a material breach of the obligations provided for in the documents made available in accordance with point (ii), including any remedy, waiver or consent subsequently provided in relation to such a breach;

  (ii) a change in the structural features that can materially impact the performance of the Transaction;

  (iii) a change in the risk characteristics of the Transaction or of the Purchased Receivables that can materially impact the performance of the Transaction;

  (iv) where the securitisation ceases to meet the STS Requirements or where competent authorities have taken remedial or administrative actions; and

  (v) any material amendment to Transaction SA UK 2020-2 Documents.

The Issuer and the Originator, as originator within the meaning of the Securitisation Regulation, have agreed that the Originator is the "reporting entity" under Article 7(2) of the Securitisation Regulation to fulfil the information requirements of Article 7(1) of the Securitisation Regulation (the "**Reporting Entity**"). The Reporting Entity, as originator, shall also be responsible for compliance with Article 7 of the Securitisation Regulation, pursuant to Article 22(5) of the Securitisation Regulation.

Compliance with Article 7 of the Securitisation Regulation

Pursuant to the Receivables Purchase Agreement, the Originator has been designated as the Reporting Entity and the Issuer has undertaken to deliver to the Reporting Entity a copy of the Transaction SA UK 2020-2 Documents, the Prospectus and any other document or report received in connection with the Securitisation. The Reporting Entity has appointed the Servicer to perform and/or as applicable, assist with all of the Originator's obligations under Article 7(2) read together with Article 7(1) of the Securitisation Regulation. For such purpose:

(a) pursuant to the Servicing Agreement, the Servicer has undertaken to (on behalf of the Reporting Entity), subject to the applicable data protection rules in England, Wales, Scotland or Northern Ireland (including the Data Protection Laws) and banking secrecy rules and the Data Trust Agreement, prepare and deliver to the Issuer, the Noteholders, (upon request) any potential investors in the Notes and the relevant competent authorities (as determined under the Securitisation Regulation and together, the "**Relevant Recipients**"):

(i) on a quarterly basis, the loan level data setting out the information required by paragraph (a) of Article 7(1) of the Securitisation Regulation and the applicable Regulatory Technical Standards (the "**Loan Level Data**");

(ii) on each Reporting Date and simultaneously with the Loan Level Data referred to in (i) above, to the Relevant Recipients the investor report as required by and in accordance with Article 7(1)(e) of the Securitisation Regulation (the "**Monthly Report**");

(iii) make available the documents as required by and in accordance with Article 7(1)(b) of the Securitisation Regulation prior to the pricing date of the Notes (and in final form, if applicable, no later than fifteen (15) days after the Issue Date);

(iv) upon the occurrence of any event triggering the existence of any information provided for by article 7(1) points (f) and (g) of the Securitisation Regulation, prepare and deliver to the Relevant Recipients the Inside Information Report, without undue delay, subject to the timely receipt of all necessary information from the other Parties in their possession;

(v) disclose without undue delay any events which trigger changes in the Priority of Payments and any change in the Priority of Payments which will materially adversely affect the repayment of the Notes, to the extent required under Article 21(9) of the Securitisation Regulation; and

(vi) disclose without delay any material changes from Servicer's prior underwriting policies and servicing collection procedures, to the extent required under Article 20(10) of the Securitisation Regulation and the Transaction SA UK 2020-2 Documents.

provided that (i) the Servicer will only require to do so to the extent that the disclosure requirements under Article 7 of the Securitisation Regulation remain in effect and (ii) the Servicer will not be in breach of such undertaking if the Servicer fails to so comply due to events, actions or circumstances beyond the Servicer's control.

The Reporting Entity (or the Servicer on its behalf) will make all such information set forth under paragraph (a)above available to the Relevant Recipeints as is required to be made available pursuant to Article 7(1) of the Securitisation Regulation and the applicable Regulatory Technical Standards.

The Reporting Entity (or the Servicer on its behalf) will make available the information required under Article 7(1) of the Securitisation Regulation and set out in points (i), (ii), (iii), (iv), (v) and (vi) above on the website of EuroABS (being, as at the date of this Prospectus, www.euroabs.com), being a website that conforms to the requirement set out in Article 7(2) of the Securitisation Regulation (the "**SR Website**") and, following registration of any securitisation repository under Article 10 of the Securitisation Regulation, with any such securitisation repository that the Issuer appoints in relation to the Notes (the "**SR Repository**"). For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus and has not been scrutinised or approved by the competent authority.

Investors to assess compliance

Each prospective investor is, however, 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 Securitisation Regulation and none of the Issuer, the Lead Manager or the Originator make any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes. In addition, each prospective Noteholder should ensure that they comply with the implementing provisions in respect of Article 5 of the Securitisation Regulation in their relevant jurisdiction.

Prospective investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

In order to enable the Noteholders to conduct their own assessments, each Monthly Report will contain a statement in respect of the retention of the Class B Notes and the funding provided under the Subordinated Loan Agreement by the Seller as at the end of the corresponding Collection Period.

Pursuant to the provisions of the Servicing Agreement, the Servicer will provide, upon reasonable request by the Issuer, such further information as reasonably requested by the Noteholders for the purposes of compliance of such Noteholder with the requirements under Article 5 of the Securitisation Regulation and the implementation into the relevant national law, subject to applicable law and availability provided that the Servicer shall be entitled to limit the frequency of the disclosure of such additional information to not more than four times in a calendar year.

Article 22(5) of the Securitisation Regulation

Pursuant to Article 22(5) of the Securitisation Regulation, the Originator shall be responsible for compliance with Article 7 of the Securitisation Regulation. In particular:

(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; and

(c) the final documentation shall be made available to investors at the latest than fifteen (15) days after closing of the Transaction.

Compliance with Article 22 of the Securitisation Regulation

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

(a) has made available to any potential investor in the Notes data on static historical default performance relating to the five years period starting on 1 July 2015 and ending on 30 June 2020 in respect of receivables substantially similar to the Purchased Receivables;

(b) has made available – via EuroABS – 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 Originator, the Noteholders, the Issuer and any other party to the Securitisation which contained an amount of information sufficient to allow such potential investor to price the Notes (the "**Liability Cash Flow Model**");

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

(d) where available to the Originator, has undertaken in the Incorporated Terms Memorandum to include the environmental performance of the Financed Vehicles in the Monthly Report;

(e) has made available before pricing of the Notes, the Loan Level Data;

(f) has made available before pricing of the Notes, the Transaction SA UK 2020-2 Documents (other than the Prospectus in a draft form);

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

(h) will make available the Prospectus, the Transaction SA UK 2020-2 Documents and the STS Notification in final versions, within fifteen (15) days from the Issue Date.

The information set out in paragraph (e), (f), (g) and (h) above has been or will be made available (as the case may be) on the website of the EuroABS (being, as at the date of this Prospectus, www.euroabs.com), being a website that conforms to the requirement set out in Article 7(2) of the Securitisation Regulation

(the "**SR Website**") and, following registration of any securitisation repository under Article 10 of the Securitisation Regulation, with any such securitisation repository that the Issuer appoints in relation to the Notes (the "**SR Repository**"). For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus and has not been scrutinised or approved by the competent authority.

For more information please see the section titled "*OVERVIEW OF THE PRINCIPAL TRANSACTION SA UK 2020-2 DOCUMENTS – SERVICING AGREEMENT*".

COMPLIANCE WITH STS REQUIREMENTS

The Transaction meets the requirements for simple, transparent and standardised non-ABCP securitisations provided for by Articles 19 to 22 of the Securitisation Regulation (the "**STS Requirements**").

The compliance of the Securitisation with the STS Requirements has been verified as of the Issue Date by Prime Collateralised Securities (PCS) UK Limited, in its capacity as third party verification agent authorised pursuant to Article 28 of the Securitisation Regulation. No assurance can be provided that the Transaction described in this Prospectus does or continues to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future.

The Originator has notified ESMA that the Transaction meets the STS Requirements in accordance with Article 27 of the Securitisation Regulation.

Compliance with the STS Requirements is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under Markets in Financial Instruments Directive (2014/65/EU) and it is not a credit rating whether generally or as defined under the Credit Rating Agency Regulation (1060/2009/EC).

DESCRIPTION OF THE SILVER ARROW UK 2020-2 NOTES WHILST IN GLOBAL FORM

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

The Global Note representing the Class A Notes will be held under the NSS and will be deposited with and registered in the name of the Common Safekeeper as nominee for both Euroclear and Clearstream, Luxembourg.

The Global Note representing the Class B Notes will be deposited with a Common Depositary for 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 as the owner of each Global Note.

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

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment from the Paying Agent to the order of the Common 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 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 £125,000 or a higher integral multiple of £1,000, in exchange for their respective holdings of Book-Entry Interests if any of the following events occurs (each an "**Exchange Event**"):

(a) any relevant Clearing System is closed for business for a continuous period of fourteen (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) any of the circumstances described in Condition 10 (*Events of Default*) occurs; or

(c) as a result of any amendment to, or change in (A) the laws or regulations of the United Kingdom or Luxembourg (or of any political sub-division thereof) or of any authority therein or thereof having power to tax or (B) the interpretation or administration of such laws or regulations, which becomes effective on or after the Issue Date, the Issuer or the Paying Agent is or will be required to make any deduction or withholding for or on account of tax from any payment in respect of the Notes which would not be required were the Notes in definitive form.

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 and the Common Safekeeper 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 £125,000 and a higher integral multiple of £1,000.

So long as the Notes of any Class are represented in their entirety by any Global Note held on behalf of any Clearing System, instead of publication in newspaper(s) in accordance with the Condition, notices to the relevant Noteholders may 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.

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 500,000,000.00 Class A Compartment Silver Arrow UK 2020-2 Notes due December 2026 (the "**Class A Notes**") and the GBP 176,000,000.00 Class B Compartment Silver Arrow UK 2020-2 Notes due December 2026 ("**Class B Notes**"), together, the ("**Notes**") are constituted by a trust deed (the "**Trust Deed**") dated 20 November 2020 between the Company, acting in respect of its Compartment Silver Arrow UK 2020-2 (the "**Issuer**") and Wilmington Trust SP Services (Frankfurt) GmbH (the "**Note Trustee**", which expression will include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for, *inter alios*, the 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 20 November 2020 between the Issuer and Wilmington Trust SP Services (Frankfurt) GmbH (in this capacity, the "**Security Trustee**", which expression includes its permitted successors and assigns) on certain assets of the Issuer (the "**Security**") 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 the Transaction SA UK 2020-2 Documents (as defined below) which include an agency agreement (the "**Agency Agreement**") dated 20 November 2020 between the Issuer, the Note Trustee, the Security Trustee, Elavon Financial Services DAC as paying agent (in such capacity, the "**Paying Agent**", which expression includes its permitted successors and assigns), Elavon Financial Services DAC as calculation agent (the "**Calculation Agent**", which expression includes its permitted successors and assigns) and Elavon Financial Services DAC 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**".

Payments under the Notes will be made pursuant to the Agency Agreement and the Calculation Agency Agreement (as defined below).

The Trust Deed, the Deed of Charge, the corporate services agreement dated 25 March 2019 between, *inter alios*, the Company and Intertrust (Luxembourg) S.À R.L. 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 20 November 2020 and the interest rate swap confirmation between DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main as swap counterparty (the "**Swap Counterparty**", which expression includes its permitted successors and assigns) and the Issuer (together, the "**Swap Agreement**"), the Agency Agreement, the Receivables Purchase Agreement (as defined below), the Servicing Agreement (as defined below), the data trust agreement dated 20 November 2020 between the Issuer, the Seller (as defined below), the Security Trustee and Data Custody Agent Services B.V as data trustee (the "**Data Trustee**", which expression includes its permitted successors and assigns) (the "**Data Trust Agreement**"), the bank account agreement dated 20 November 2020 between the Issuer, the Security Trustee, Elavon Financial Services DAC as Issuer Account Bank (the "**Issuer Account Bank**", which expressions include its permitted successors and assigns) and the Servicer (as defined below) (the "**Bank Account Agreement**") and the calculation agency agreement dated 20 November 2020 between, *inter alios*, the Issuer and the Calculation Agent (the "**Calculation Agency Agreement**") are, together with the Conditions (as defined below), referred to as the "**Transaction SA UK 2020-2 Documents**". References to each of the Transaction SA UK 2020-2 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 SA UK 2020-2 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 SA UK 2020-2 Documents.

References to "**Conditions**" are, unless the context otherwise reprises, to the numbered paragraphs of these Conditions. Words and expressions used in these Conditions without definitions will have the meanings given to them in paragraph 1 (*Definitions*) of the Master Definitions Schedule (the "**Master Definitions Schedule**") set out in Schedule 1 to the Incorporated Terms Memorandum which is dated 20 November 2020 and signed for the purpose of identification by, among others, the Issuer and the Note Trustee. Terms in these Conditions, except where otherwise stated or where the context otherwise requires, shall be interpreted in the same way as set forth in paragraph 2 (*Principles of interpretation and construction*) of the Master Definitions Schedule.

The issue of the Notes was authorised by a resolution of the Issuer passed on 16 November 2020.

1. **Form, denomination and title**

(a) The Class A Notes are issued in registered global form in the denomination of £125,000 and integral multiples of £1,000 in excess of £125,000, up to and including £199,000.

(b) The Class B Notes are issued in registered global form in the denomination of £125,000 and integral multiples of £1,000 in excess of £125,000, up to and including £199,000.

The Class A Notes and the Class B 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 Global Notes.

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

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Note Trustee, the Registrar, the Paying Agent (notwithstanding any notice to the contrary and whether or not it is overdue and notwithstanding any notation of ownership or writing on any Note or notice of any previous loss or theft of any Note) may (i) for the purpose of making payment on or on account of any Note deem and treat the person (or, in the case of a joint holding, the first named person) in whose name any Global Note or Definitive Note is registered at that time in the Register (which will be conclusive evidence of such holding in the absence of manifest error, fraud or wilful default) as the absolute owner of such Note and all rights under such Note free from all encumbrances, and will not be required to obtain further proof of such ownership or as to the identity of the registered holder of any Global Note or Definitive Note and (ii) for all other purposes deem and treat the person in whose name any Global Note or Definitive Note is registered at the relevant time in the Register as the absolute owner of and of all rights under such Note free from all encumbrances and will not be required to obtain further proof of such ownership or as to the identity of the registered holder of any Global Note or Definitive Note. Notwithstanding the above, so long as any of the Notes are represented by a Global Note, the terms "**Noteholders**" or "**Holders**" will include the persons then set out in the records of Euroclear and/or Clearstream, Luxembourg, as the holders of a particular principal amount of such Notes (each an "**Accountholder**") in units of £1,000 principal amount of Notes for all purposes other than in respect of the payment of principal and interest on such Notes, the right to which will be vested as against the Issuer solely in the holder of each Global Note in accordance with and subject to its terms.

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.

No transfer of Notes will be valid unless entered on the Register and no transfer Notes will be registered for a period of two (2) Business Days immediately preceding each Payment Date or payment date of any of the relevant Notes.

The Class A Notes and the 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 to 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 Parties.

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

The Issuer will use the gross proceeds of the issue of the Notes to finance the purchase from MBFS (the "**Seller**"), of a portfolio of Receivables and their Ancillary Rights pursuant to an agreement dated 20 November 2020 between the Seller, the Issuer, the Security Trustee and the Note Trustee (the "**Receivables 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 20 November 2020 between the Servicer, the Issuer, the Note Trustee and the Security Trustee (the "**Servicing Agreement**").

The Issuer has entered into the Swap Agreement with the Swap Counterparty, under which the Issuer will pay to the Swap Counterparty on each Payment Date certain amounts calculated by reference to a fixed rate of interest and the Swap Counterparty will pay to the Issuer on each Payment Date certain amounts calculated by reference to the Applicable Benchmark Rate, as defined in Condition 4(d) (*Benchmark Rate Determinations*) on a notional amount calculated by reference to the principal amount outstanding of the Class A Notes. If the Swap Agreement is terminated prior to the redemption of the Class A Notes in full a termination payment may be due between the parties in accordance with the Swap Agreement.

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

Prior to the issuance of an Enforcement Notice by the Note Trustee, the Issuer will distribute the Available Distribution Amount on each Payment Date in accordance with the following Pre-Enforcement Priority of Payments:

(i) *first*, to retain on the Retained Profit Ledger a profit for the Issuer of £100 from which the Issuer will discharge its corporate income or corporation tax liability (if any);

(ii) *second*, to pay or provide for (a) any Luxembourg net wealth tax payable by the Issuer, and (b) any other taxes payable by the Issuer which cannot be discharged from the profit retained on the Retained Profit Ledger;

(iii) *third*, to pay or provide for any due and payable amounts to the Note Trustee under or in connection with the Trust Deed and to the Security Trustee under or in connection with the Deed of Charge, in each case including amounts due and payable under the relevant fee letter;

(iv) *fourth,* to pay or provide for (on a *pro rata* and *pari passu* basis) any due and payable Administration Expenses and any Administrator Recovery Incentive;

(v) *fifth*, to pay any due and payable Servicing Fee;

(vi) *sixth*, to pay any due and payable Net Swap Payments and Swap Termination Payments under the Swap Agreement **provided that** the Swap Counterparty is not the defaulting party (as defined in the Swap Agreement) and there has been no termination of the Swap Agreement (due to a termination event relating to the Swap Counterparty's downgrade);

(vii) *seventh*, to pay (on a *pro rata* and *pari passu* basis) any due and payable Class A Interest Amount on the Class A Notes and any Class A Interest Shortfall;

(viii) *eighth*, an amount equal to the General Reserve Required Amount to the General Reserve Account;

(ix) *ninth*, to pay (on a *pro rata* and *pari passu* basis) the Class A Principal Redemption Amount in respect of the redemption of the Class A Notes until the Aggregate Outstanding Note Principal Amount of the Class A Notes is reduced to zero;

(x) *tenth*, to pay (on a *pro rata* and *pari passu* basis) any due and payable Class B Interest Amount on the Class B Notes and any Class B Interest Shortfall;

(xi) *eleventh*, to pay (on a *pro rata* and *pari passu* basis) the Class B Principal Redemption Amount in respect of the redemption of the Class B Notes until the Aggregate Outstanding Note Principal Amount of the Class B Notes is reduced to zero;

(xii) *twelfth*, to pay any due and payable interest amount on the Subordinated Loan;

(xiii) *thirteenth*, to pay the Subordinated Loan Redemption Amount in respect of the redemption of the Subordinated Loan until the Subordinated Loan is reduced to zero;

(xiv) *fourteenth,* to pay any indemnity payments to any party under the Transaction SA UK 2020-2 Documents;

(xv) *fifteenth,* to pay to the Swap Counterparty any payments due under the Swap Agreement other than those made under item (vi) above; and

(xvi) *sixteenth*, to pay the Deferred Consideration to the Seller.

Notwithstanding the Pre-enforcement Priority of Payments, amounts due and payable under items *first* through *fourth* of the Pre-enforcement Priority of Payments may also be paid, in that order, on any Business Day other than a Payment Date up to an amount of the Available Distribution Amounts which have been retained by the Issuer on the prior Payment Date to provide for payment of such items.

(e) ***Enforcement of the Security***

Following the occurrence of an Issuer Event of Default and the service of an Enforcement 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 as directed by the Controlling Class acting by way of a Written Resolution or by way of an Extraordinary Resolution.

The Note Trustee may at any time, at its discretion and will do so if it has been directed to do so by the Controlling Class acting by way of a Written Resolution or by way of an Extraordinary Resolution, (subject to having been indemnified and/or secured and/or

prefunded 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 Transaction SA UK 2020-2 Documents or these Conditions and/or take any other proceedings (including lodging an appeal in any proceedings) with respect to or concerning the Issuer;

(ii) exercise any of its rights under, or in connection with any Transaction SA UK 2020-2 Document; and/or

(iii) give any directions to the Security Trustee under or in connection with any Transaction SA UK 2020-2 Document.

To the extent that the Note Trustee acts in accordance with such directions of the Controlling Class, 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-Enforcement Priority of Payments***

After the issuance of an Enforcement Notice by the Note Trustee, the Security Trustee will apply the Available Distribution Amount on each Payment Date towards the discharge of the claims of the Noteholders and the other creditors of the Issuer in accordance with the following Post-enforcement Priority of Payments:

(i) *first*, to retain on the Retained Profit Ledger a profit for the Issuer of £100 from which the Issuer will discharge its corporate income or corporation tax liability (if any);

(ii) *second*, to pay or provide for (a) any Luxembourg net wealth tax payable by the Issuer, and (b) any other taxes payable by the Issuer which cannot be discharged from the profit retained on the Retained Profit Ledger;

(iii) *third*, to pay any due and payable amounts to the Note Trustee under or in connection with the Trust Deed and to the Security Trustee under or in connection with the Deed of Charge, in each case including amounts due and payable under the relevant fee letter;

(iv) *fourth*, to pay (on a *pro rata* and *pari passu* basis) any due and payable Administration Expenses and any Administrator Recovery Incentive;

(v) *fifth*, to pay any due and payable Servicing Fee;

(vi) *sixth*, to pay any due and payable Net Swap Payments and Swap Termination Payments under the Swap Agreement (**provided that** the Swap Counterparty is not the defaulting party (as defined in the Swap Agreement) and there has been no termination of the Swap Agreement (due to a termination event relating to the Swap Counterparty's downgrade));

(vii) *seventh*, to pay (on a *pro rata* and *pari passu* basis) any due and payable Class A Interest Amount on the Class A Notes and any Class A Interest Shortfall;

(viii) *eighth*, to pay (on a *pro rata* and *pari passu* basis) the redemption of the Class A Notes until the Aggregate Outstanding Note Principal Amount of the Class A Notes is reduced to zero;

(ix) *ninth*, to pay (on a *pro rata* and *pari passu* basis) any due and payable Class B Interest Amount on the Class B Notes and any Class B Interest Shortfall;

(x) *tenth*, to pay (on a *pro rata* and *pari passu* basis) the redemption of the Class B Notes until the Aggregate Outstanding Note Principal Amount of the Class B Notes is reduced to zero;

(xi) *eleventh*, to pay any due and payable interest amount on the Subordinated Loan;

(xii) *twelfth*, to pay any due and payable principal amounts on the Subordinated Loan until the Subordinated Loan is reduced to zero;

(xiii) *thirteenth*, to pay any indemnity payments to any party under the Transaction SA UK 2020-2 Documents;

(xiv) *fourteenth*, to pay to the Swap Counterparty any payments due under the Swap Agreement other than those made under item (vi) above; and

(xv) *fifteenth*, to pay the Deferred Consideration to the Seller.

(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 Servicing Agreement, the Deed of Charge and no other assets of the Issuer will be available for any further payments on the Notes. The right to receive any further payments of any such shortfall remaining after enforcement of the Security and application of the proceeds of the Security in accordance with the Post-Enforcement Priority of Payments will be extinguished.

(h) ***Relationship between the Classes of Notes***

(i) The Class A Notes will rank in priority to the Class B Notes.

(ii) Payments of interest on the Class A Notes will rank *pro rata* and *pari passu* between themselves and in priority to payments of interest on the Class B Notes and payments of interest on the Class B Notes will rank *pro rata* and *pari passu* among themselves. If the Issuer does not have sufficient Available Distribution Amount on the relevant Payment Date to meet interest payments on the Class A Notes and the Class B Notes in full, any shortfall will first be borne by the Class B Notes and, to the extent that interest due on the Class B Notes on such Payment Date is less than such shortfall, it will secondly be borne by the Class A Notes, in each case *pro rata* and *pari passu* between the Notes of such Class.

(iii) 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.

(iv) The Trust Deed and the Deed of Charge contain provisions requiring the Note Trustee or the Security Trustee, as the case may be, 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 or the Security Trustee, as the case may be, (except where expressly provided otherwise), but requiring the Note Trustee or the Security Trustee, as the case may be, in any such case, to take into account only the interests of the Class A Noteholders if, in the opinion of the Note Trustee or the Security Trustee, as the case may be, there is a conflict between the interests of the Class A Noteholders and the Class B Noteholders. In addition, if there is a conflict between the interests of (1) the Noteholders and (2) any of the other Secured Parties or the Security Trustee, as the case may be, will, to the extent permitted by applicable law, take into account only the interests of the Class A Noteholders and the Class B Noteholders.

(v) None of the Class B Noteholders may request or direct the Note Trustee or the Issuer to take any action or pass any effective Extraordinary Resolution if the effect of the same would, in the sole opinion of the Note Trustee, be materially prejudicial to the interests of the Class A Noteholders, and neither the Note Trustee nor the Issuer will be responsible to the Class B Noteholders for disregarding any such request, direction or resolution.

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

The Note Trustee and the Security 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 SA UK 2020-2 Documents or for the purposes of paragraphs (iii), (iv) or (v) 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 or 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**

So long as any of the Notes remains outstanding, the Issuer will not without the prior consent of the Note Trustee, unless otherwise provided by these Conditions or the Transaction SA UK 2020-2 Documents:

(a) carry on any business other than performing its functions and duties and discharging its obligations and liabilities set out in the Transaction SA UK 2020-2 Documents and with respect to that business will not engage in any activity or do anything except:

(i) finance, acquire, hold and dispose of the Purchased Receivables;

(ii) issue, enter into, amend, exchange, repurchase or cancel the Notes;

(iii) enter into, amend, consent to any variation of, or release any party from any obligation under, any of the Notes, the Transaction SA UK 2020-2 Documents and agreements relating or incidental to the issue and constitution of, and the granting of security for, the Notes;

(iv) 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 SA UK 2020-2 Documents;

(v) preserve and/or exercise and/or enforce any of its rights and perform and observe its obligations under the Notes, the Transaction SA UK 2020-2 Documents and agreements relating or incidental to the issue and constitution of, and the granting of security for, the Notes;

(vi) use any of its property or assets in the manner provided in or contemplated by the Transaction SA UK 2020-2 Documents; and

(vii) perform any other act incidental to or necessary in connection with items (i) to (vi) above;

(b) have any employees or own any premises;

(c) incur any indebtedness with respect to borrowed money or give any guarantee or indemnity with respect to any indebtedness or enter into any hedging or derivative contract except under the Notes or pursuant to the Transaction SA UK 2020-2 Documents;

(d) create any mortgage, charge, pledge, lien or other security interest over, or use, invest, sell or otherwise dispose of any of, its assets other than as expressly contemplated by the Transaction SA UK 2020-2 Documents;

(e) commingle its property or assets with the property or assets of any other person;

(f) have any subsidiary or subsidiary undertaking (each as defined in the Companies' Act 2006);

(g) at all times ensure that its central management and control is exercised in Luxembourg;

(h) have an "establishment" (as that term is used in Article 2(10) of the EU Insolvency Regulation) in any jurisdiction other than Luxembourg;

(i) issue any shares in the Issuer (other than such shares as are in issue as at the Issue Date);

(j) permit the validity or effectiveness of or the priority of the Security created by the Deed of Charge to be amended, terminated, postponed or discharged, or permit any person whose obligations form part of the Security to be released from such obligations;

(k) open any further account for the purposes of depositing any monies it receives in connection with the Transaction SA UK 2020-2 Documents, unless such account is secured in favour of the Security Trustee for the benefit of the Secured Parties;

(l) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any person;

(m) acquire obligations or securities of its officers or shareholders;

(n) amend the constitutional documents of the Issuer; and

(o) enter into any derivatives, or any hedging contracts having the same economic effect as a derivative.

In giving its consent to the foregoing, the Note Trustee may require the Issuer to amend the Transaction SA UK 2020-2 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 Issue Date until the close of the day preceding the day on which such Note has been redeemed in full at the rate *per annum* (expressed as a percentage) equal to the Interest Rate (calculated in the manner set out in Condition 4(e) (*Calculations*)), payable in arrears on each Payment Date from (and including) the Issue Date, subject to Condition 6 (*Additional interest and subordination*).

Interest due on a 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 the rate determined daily by the Calculation Agent in its sole discretion to be the rate for overnight deposits in Sterling. Such interest will be added annually to the overdue sum and will itself bear interest accordingly, at the rates for overnight deposits so determined.

(b) ***Interest Period***

"**Interest Period**" means, in respect of the first Payment Date, the period commencing on (and including) the Issue Date and ending on (but excluding) the first Payment Date and in respect of any subsequent Payment Date, the period commencing on (and including) the immediately preceding Payment Date and ending on (but excluding) such Payment Date, **provided that** the last Interest Period shall end on (but exclude) the Legal 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:

(A) Compounded Daily SONIA (the "**Applicable Benchmark Rate**"), *plus*

(B) 0.58% per annum,

provided that if the Applicable Benchmark Rate 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, 1.30% per annum (the "**Class B Interest Rate**").

(d) ***Benchmark Rate Determinations***

(i) On each Interest Determination Date, the Interest Determination Agent will determine the Compounded Daily SONIA, in each case, as at 11.00am (London time) on the Interest Determination Date in question.

(ii) For such purposes, "**Compounded Daily SONIA**" means, with respect to an Interest Period, 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 on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{\mathrm{SONIA}_{i-5\mathrm{LBD}}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Period;

"$\mathbf{d_o}$" is the number of London Banking Days in the relevant Interest Period;

"**i**" is a series of whole numbers from one to d_o, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Interest Period;

"**London Banking Day**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"$\mathbf{n_i}$", for any day "i", means the number of calendar days from and including such day "i" up to but excluding the following London Banking Day;

"**Observation Period**" means the period from and including the date falling five London Banking Days prior to the first day of the relevant Interest Period and ending on, but excluding, the date falling five London Banking Days prior to the

Payment Date for such Interest Period (or the date falling five London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

"**Relevant Screen Page**" means Reuters Screen SONIA Page or such other page as may replace Reuters Screen SONIA on that service for the purpose of displaying such information or if that service ceases to display such information, such page as displays such information on such service as may replace such screen;

"**SONIA reference rate**", in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (on the London Banking Day immediately following such London Banking Day); and

"**$SONIA_{i\text{-}5LBD}$**" means, in respect of any London Banking Day falling in the relevant Observation Period, the SONIA reference rate for the London Banking Day falling five London Banking Days prior to the relevant London Banking Day "i".

(iii) If in respect of any London Banking Day in the relevant Observation Period, the Interest Determination Agent determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**)" prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which a SONIA reference 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.

Notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA reference rate is to be determined or (ii) any rate that is to replace the SONIA reference rate, the Interest Determination Agent shall, to the extent that it is reasonably practicable, follow such guidance in order to determine $SONIA_i$ for the purpose of the Class A Notes for so long as the SONIA reference rate is not available or has not been published by the authorised distributors.

(iv) In the event that the Class A Interest Rate cannot be determined in accordance with the foregoing provisions by the Interest Determination Agent, the Class A Interest Rate shall be that determined as at the last preceding Calculation Date.

(v) If the Class A Notes become due and payable in accordance with Condition 5 (*Redemption*), the final Calculation Date shall be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(vi) On the occurrence of the events described in Condition 12(b)(ii)(7) (*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)(ii)(7) (*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)(ii).

(e) ***Calculations***

(i) The amount of interest payable on each Note for any Interest Period (the "**Interest Amount**") 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 and (2) any Additional Interest and rounding the resultant figure to the nearest whole penny (half a penny being rounded upwards).

(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 Calculation Agent. All calculations made by the Calculation Agent 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 Calculation Agent 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 Note Trustee 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 to 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 in the manner specified in Condition 4(d) (*Benchmark Rate Determinations*), and any such determination and/or calculation will be deemed to have been made by the Calculation Agent.

(f) ***Determination and publication of the Notes Interest Rates and the Interest Amounts***

With respect to each Payment Date, on the Calculation Date preceding such Payment Date, the Calculation Agent shall notify the Issuer, the Corporate Services Provider, the Swap Counterparty, 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 Notes are listed on the official list and are admitted to trading on the regulated market of the Luxembourg Stock Exchange through the Paying Agent in respect of Class A Notes only, as follows:

(i) in respect of 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 Condition 4 (*Interest*) in accordance with the applicable Priority of Payments and subject to the Available Distribution Amount to be paid on such Payment Date;

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

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

(iv) in the event of the payment of interest and redemption after the occurrence of an Enforcement Event, in respect of the amounts of interest and principal to be paid in accordance with Condition 10 (*Events of Default*).

5. **Redemption**

(a) ***Final redemption***

On the Legal Maturity Date, each Class A Note shall, unless previously redeemed, be redeemed in full at the Aggregate Outstanding Note Principal Amount of the Class A Notes. After all the Class A Notes have been redeemed in full, each Class B Note shall, unless previously redeemed, be redeemed in full at the Aggregate Outstanding Note Principal Amount of the Class B Notes.

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) (*Redemption for taxation and other 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) ***Redemption for taxation and other reasons***

If, following a change of applicable law, regulation or interpretation of such law or regulation after the Issue Date, the Issuer is, on the occasion of the next payment due on the Notes, required to deduct, withhold or account for tax with respect to a payment by it on the Notes or would suffer any tax or other similar imposition so that:

(i) the Issuer is unable to make payment of the full amount due on the Notes 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 reasonable efforts (which will not require it to incur any cost, excluding immaterial, incidental expenses) to determine within twenty (20) 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 efforts to so determine if such a substitution or change could reasonably be expected to avoid such withholding or deduction or tax or other similar imposition). If the Issuer determines that any of such measures would be practicable, it will have a further period of sixty (60) days to effect such substitution or change of tax residence. If, however, it determines within twenty (20) days of such circumstance occurring that none of such measures would be practicable or if, having determined that any of such measures would be practicable, it is unable so to avoid such withholding or deduction or tax or imposition within such further period of sixty (60) days, then the Issuer may, at its election, but will not be obliged to, give not more than sixty (60) nor less than thirty (30) days' irrevocable notice to the Note Trustee, the Paying Agent, the Registrar and the Noteholders, in accordance with Condition 15 (*Notices*), of its intention to redeem and on expiry of such irrevocable notice will redeem all but not some only of the Notes at their principal amounts outstanding together with accrued interest, to the date (which must be an Payment Date) fixed for redemption, **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 Distribution Amount and in accordance with the applicable Priority of Payments.

(d) ***Clean-Up Call***

(i) On any Payment Date (i) following the Determination Date on which the Aggregate Outstanding Receivables Amount is less than 10% of the Aggregate Outstanding Receivables Amount at the Cut-Off Date or (ii) on which the Class A Notes including any interest accrued but unpaid thereon are redeemed in full, the Seller will (**provided that** on the relevant Payment Date no Enforcement Event has occurred) have the option under the Receivables Purchase Agreement (the "**Clean-Up Call**") to acquire all Purchased Receivables then outstanding against payment of the Repurchase Price subject to the following requirements (the "**Clean-Up Call Conditions**"):

(1) the Repurchase Price, together with the funds credited to the General Reserve Account and the Operating Account, is at least equal to the sum of (i) the aggregate Outstanding Note Principal Amount of all Notes plus (ii) accrued interest thereon plus (iii) all claims of any creditors of the Issuer in respect of Compartment Silver Arrow UK 2020-2 ranking prior to the claims of the Noteholders according to the applicable Priority of Payments; and

(2) the Seller shall have notified the Issuer of its intention to exercise the Clean-Up Call at least ten (10) days prior to the contemplated settlement date of the Clean-Up Call.

(ii) An early redemption of the Notes pursuant to this Condition 5(d) (*Clean-Up Call*) shall be excluded if the Clean-Up Call associated with that early redemption does not fully satisfy applicable regulatory requirements (applicable from time to time) in respect of Clean-Up Calls.

(iii) Upon payment in full of the amounts specified in Condition 5(d)(a)(i) 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) ***Note principal payments and principal amount outstanding***

On (or as soon as practicable after) each Interest Determination Date, the Calculation Agent, acting on behalf of the Issuer, will determine (based on information provided to the Calculation Agent by the Issuer or the Servicer via the servicing report):

(i) in respect of 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 Condition 4 (*Interest*) in accordance with the applicable Priority of Payments and subject to the Available Distribution Amount to be paid on such Payment Date; and

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

and will cause notice of each determination of the principal payable and the principal amount outstanding of a Note of each Class to be given to the Note Trustee, the Paying Agent, the Registrar, the Issuer, the Noteholders (in accordance with Condition 15 (*Notices*)) and the Calculation Agent immediately and, in any case, by not later than 5.00 pm (London time) one Business Day before the relevant Payment Date. Each determination by or on behalf of the Issuer of any principal payable and the principal amount outstanding of a Note will in each case (in the absence of fraud, wilful default or manifest or proven error) be final and binding on all persons.

If the Calculation Agent, acting on behalf of the Issuer, does not at any time for any reason determine with respect to any Note the principal payable or the principal amount outstanding in accordance with the preceding provisions of this Condition 5(f), such principal payable and/or principal amount outstanding may be determined by the Note Trustee in accordance with this Condition 5(f) and each such determination will be conclusive (in the absence of wilful default or manifest or proven error) and will be deemed to have been made by the Calculation Agent. Any such determination will be final and binding on the Issuer, the Calculation Agent, the Noteholders and all other relevant persons.

6. **Additional interest and subordination**

(a) ***Additional interest on the Class A Notes***

If the aggregate funds (computed in accordance with the provisions of the Calculation Agency Agreement) available to the Issuer on any Payment Date for application in or towards the payment of any Interest Amount due with respect to the Class A Notes on such Payment Date pursuant to Condition 4 (*Interest*) are not sufficient to satisfy in full the aggregate amount of interest so due (the "**Class A Interest Shortfall**"), the Issuer will create a provision in its Issuer Transaction Accounts equal to such shortfall and such shortfall will accrue interest in accordance with Condition 4(c)(i) (*Interest Rate*) for such time as it remains outstanding and such shortfall, together with any additional accrued interest, will be immediately due and payable.

(b) ***Principal on the Class A Notes***

If on any Payment Date or any other date on which a payment of principal is due on the Class A Notes, the aggregate funds (computed in accordance with the provisions of the Calculation Agency Agreement) available to the Issuer on such date for application in or towards the payment of principal which is, subject to this Condition, due on the Class A Notes on such date are not sufficient to pay in full the Class A Principal Redemption Amount (otherwise than pursuant to this Condition 6(b)) due on such Payment Date, there will be payable on such date by way of principal on the Class A Notes only a *pro rata* share of such aggregate funds on such date.

(c) ***Interest on the Class B Notes***

(i) For so long as any Class A Note remains outstanding, if the aggregate funds (computed in accordance with the provisions of the Calculation Agency Agreement) available to the Issuer on any Payment Date for application in or towards the payment of any Interest Amount which is, subject to this Condition, due with respect to the Class B Notes on such Payment Date (the "**Class B Interest Shortfall**") are not sufficient to satisfy in full the aggregate amount of interest which is, subject to this Condition, due with respect to the Class B Notes on such Payment Date, there will be payable on such Payment Date by way of interest with respect to each Class B Note (notwithstanding Condition 4 (*Interest*)) only a *pro rata* share of such aggregate funds on such Payment Date.

(ii) If there is a Class B Interest Shortfall, the Issuer will create a provision in its Issuer Transaction Accounts for the shortfall equal to the amount by which the aggregate amount of interest paid with respect to the Class B Notes on any Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable with respect to the Class B Notes on that date pursuant to Condition 4 (*Interest*). Such shortfall will accrue interest in accordance with Condition 4(c)(ii) (*Interest Rate*) during such Interest Period during which it remains outstanding and a *pro rata* share of such shortfall, together with a *pro rata* share of such accrued interest, will be aggregated with the amount of, and treated for the purpose of this Condition as if it were, interest due, subject to this Condition, on each Class B Note on the next succeeding Payment Date. If, on the final Payment Date (or on any earlier redemption of the Class B Notes in full), there remains such a provision, such amount will become payable subject to this Condition on that Payment Date (or, in the case of an earlier redemption of the Class B Notes in full, on the date of such redemption).

(iii) Upon redemption of the Class A Notes in full, the provisions of Condition 6(a) will apply to the Class B Notes, as applicable.

(d) ***Principal on the Class B Notes***

(i) The Class B Noteholders will not be entitled to any payment of the principal on the Class B Notes while any Class A Note remains outstanding.

(ii) If on any Payment Date or any other date on which a payment of principal is due on the Class B Notes falling on or after the redemption of the Class A Notes, the aggregate funds (computed in accordance with the provisions of the Calculation Agency Agreement) available to the Issuer on such date for application in or towards the payment of principal which is, subject to this Condition, due on the Class B Notes on such date are not sufficient to pay in full the Class B Principal Redemption Amount (otherwise than pursuant to this Condition 6(d)) due on such Payment Date, there will be payable on such date by way of principal on the Class B Notes only a *pro rata* share of such aggregate funds on such date.

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 as notified to the Paying Agent, at least two (2) Business Days prior to each Payment Date or, at the option of a Noteholder and with respect only to its Notes, by a cheque in Sterling drawn on a Sterling account and sent to the address shown as the address of the payee in the Register as of the close of business on the 20th day before the due date for the relevant payment.

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

All payments are subject in all cases to:

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

(ii) FATCA,

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

(c) ***Payments on Global Notes***

Payments of principal and interest on Class A Notes 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, the Registrar and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed at the end of these Conditions. The Paying Agent, the Registrar and the Calculation Agent act solely as agents of the Issuer (unless an Issuer Event of Default has occurred or may with the lapse of time or the giving of notice occur, 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 with the prior written approval of the Note Trustee (such approval not to be unreasonably withheld) to vary or terminate the appointment of the Paying Agent, the Registrar or the Calculation Agent and to appoint an additional or other Paying Agents, Registrars or Calculation Agents, **provided that** the Issuer will at all times maintain (i) a Calculation Agent, (ii) a Registrar 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 make a payment on 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 (excluding any Permitted Exceptions) 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 SA UK 2020-2 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 Parties 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 Parties 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 Company has, by a resolution of its board of directors dated 28 October 2020, created Compartment Silver Arrow UK 2020-2 to which all assets, rights and

claims arising from and relating to the Notes will be allocated (Silver Arrow S.A., acting in respect of Compartment Silver Arrow UK 2020-2 being referred to herein as the Issuer). Consequently, each Noteholder acknowledges and accepts that, in relation to its claims against the Issuer, it only has recourse to the assets of the Issuer and not to any other assets of the Company or assets allocated to any other compartments created by the Company. Accordingly, each Noteholder acknowledges and accepts that once all the assets of Compartment Silver Arrow UK 2020-2 have been realised, it is not entitled to take any further steps against the Issuer or the Company to recover any further amounts due and the right to receive any such amounts shall be extinguished.

(iv) 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 control.

8. **Taxation**

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

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**") will occur, the Note Trustee at its absolute discretion may, and, if so directed by the Controlling Class acting by way of a Written Resolution or by way of an Extraordinary Resolution, will give an Enforcement Notice to the Issuer, the Security Trustee, the Issuer Account Bank, the Calculation Agent 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 principal amount outstanding together with accrued interest:

(a) the Issuer becomes Insolvent;

(b) a default occurs in the payment of interest on any Payment Date in respect of the most senior class of Notes (and such default is not remedied within two (2) Business Days of its occurrence), subject to, in the case of payments on the Class B Notes only, the availability of the Available Distribution Amount to be paid in accordance with the Pre-enforcement Priority of Payments;

(c) the Issuer fails to perform or observe any of its other material obligations under the Conditions or the Transaction SA UK 2020-2 Documents (other than the Subordinated Loan Agreement) and such failure continues for a period of thirty (30) days following written notice from the Note Trustee or any other Secured Parties; or

(d) 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).

Upon any Enforcement 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**

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 Parties. No other Secured Party is entitled to proceed against the Issuer. Neither the Note Trustee nor any Secured Party 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 Party will be entitled, until the expiry of one year and one day after the payment of all amounts outstanding under the Notes, to petition or take any other step for the winding-up of the Issuer **provided that** the Security Trustee may prove or lodge a claim in the liquidation of the Issuer initiated by another party and **provided further that** the Security Trustee may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer.

The Note Trustee, and as the case may be in accordance with this Condition 11 (*Enforcement and non-petition*), the Security Trustee will, except as otherwise directed by the Controlling Class acting by way of a Written Resolution or by way of an Extraordinary Resolution at the relevant date, or 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 SA UK 2020-2 Document to which they are a party or conferred upon them by operation of law.

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 control.

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

(a) ***Meetings of Noteholders***

(i) The Trust Deed contains provisions for convening separate meetings 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 66⅔% of votes cast (an "**Extraordinary Resolution**") of a modification of any of the provisions of the Transaction SA UK 2020-2 Documents.

(ii) With respect to the Class A Notes and the Class B Notes the quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing 66⅔% of the principal amount of the relevant Class for the time being outstanding or, at any adjourned meeting, one or more persons holding or representing Noteholders of the relevant Class, whatever the principal amount of the Notes of the relevant Class so held or represented, except that, for the purpose of making a modification to the Trust Deed, Deed of Charge any Transaction SA UK 2020-2 Document or the terms and conditions of the Notes which would have the effect of:

(1) modifying the details of the Security, the maturity of the Notes or the dates on which interest is payable on them; or

(2) reducing or cancelling the principal amount of, any premium payable on redemption of, or interest on, or varying the method of calculating the Interest Rate or reducing the minimum Interest Rate on, the Notes; or

(3) changing the currency of payment of the Notes; or

(4) modifying the Events of Default; or

(5) modifying the Priority of Payments; or

(6) modifying the provisions concerning the quorum required at a meeting or the majority required to pass an Extraordinary Resolution; or

(7) amending this proviso (a "**Special Quorum Resolution**"),

the quorum will be one or more persons holding or representing at least 75%, or at any adjourned such meeting at least one-third, in principal amount of the relevant Class for the time being outstanding.

(iii) An Extraordinary Resolution passed at any meeting of Class A Noteholders or Class B Noteholders will be binding on, respectively, all Class A Noteholders or Class B Noteholders whether or not they were present at such meeting. An Extraordinary Resolution which in the sole opinion of the Note Trustee affects two or more Classes of Noteholders and gives or may give rise to a conflict of interest between the Holders of such Classes of Notes will be deemed to have been passed only if it will be passed by at least 66⅔% of the Holders at a meeting of the most senior Class outstanding so affected irrespective of any resolution of the Holders of any other Class so affected, **provided that** no resolution of Holders of the most senior Class outstanding which is a Special Quorum Resolution will be effective unless sanctioned by an Extraordinary Resolution of Holders of the Class B Notes.

(b) ***Amendments and waiver***

(i) Subject to those matters requiring a Special Quorum Resolution, the Note Trustee may without consulting or obtaining the consent of the Noteholders or the other Secured Parties at any time and from time to time concur with the Issuer in making any amendment, modification or supplement to the Trust Deed, the Deed of Charge or any other Transaction SA UK 2020-2 Document to which it is a party or in respect of which the Security Trustee holds security if the Note Trustee determines that, subject to the detailed provisions of the Trust Deed, (1) such amendment or supplement will not be materially prejudicial to the interests of the Noteholders (subject to Condition 2(h) (*Relationship between the Class Notes*)) or (2) such amendment or supplement is of a formal, minor or technical nature or is made to correct a manifest error or to comply with law.

(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 (subject to (save in respect of a Modification pursuant to Condition 12(b)(ii)(6)) the requirements of Conditions 12(b)(ii)(A) to (C)) or the other Secured Parties, but subject to the receipt of written consent from each of the Secured Parties party to the Transaction SA UK 2020-2 Document being modified, to concur with the Issuer in making any modification to these Conditions and/or any Transaction SA UK 2020-2 Document that the Issuer considers necessary to or (in the case of Condition 12(b)(ii)(7) only) advisable for the purpose of:

(1) addressing any change in the criteria of one or more Rating Agencies, so as to maintain the credit ratings then assigned to the Class A Notes, **provided that** the Issuer (or the Servicer on its behalf) certifies in writing that such modification is necessary to maintain the credit ratings then assigned to the Class A Notes;

(2) ensuring compliance by Issuer, any Secured Creditor or the Notes with mandatory provisions of applicable law or regulation (including, without limitation, the EU Retention Requirements), **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 crafted solely to such effect;

(3) enabling the Notes to be (or to remain) listed on the Luxembourg Stock Exchange, **provided that** the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

(4) for 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 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) ensuring compliance by the Issuer or any other Transaction Party with any changes which are required to comply with the Securitisation Regulation, including as a result of the adoption of regulatory or implementing technical standards in relation to the Securitisation Regulation or any other legislation or regulations or official guidance in relation thereto, **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;

(6) ensuring compliance with EMIR and/or the then subsisting technical standards under EMIR, or SFTR and/or the then subsisting technical standards under SFTR, **provided that** Issuer or the Servicer certify 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;

(any such modification pursuant to Conditions 12(b)(ii)(1) to (6) (inclusive) above being a "**Modification**" and the certificate to be provided by the Issuer, the Swap Counterparty or the relevant Transaction Party, as the case may be, pursuant to Conditions 12(b)(ii)(1) to (6) (inclusive) above being a "**Modification Certificate**"),

(7) for the purpose of changing the benchmark rate in respect of the Class A Notes from the Applicable Benchmark Rate to an alternative benchmark rate (any such rate, an "**Alternative Benchmark Rate**") and making such other related or consequential amendments to the Transaction SA UK 2020-2 Documents as are necessary or advisable in the reasonable judgment of the Issuer to facilitate the changes envisaged pursuant to this Condition 12(b)(ii)(7) (for the avoidance of doubt, this may include changing the benchmark rate referred to in any interest rate hedging agreement, for the purpose of aligning any such hedging agreement with a proposed Benchmark Rate Modification pursuant to this Condition 12(b)(ii)(7), 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) 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 thirty (30) calendar days; or

(bb) the insolvency or cessation of business of the administrator of the Applicable Benchmark Rate (in circumstances where no successor administrator has been appointed); or

(cc) a public statement by the administrator of the Applicable Benchmark Rate that it will cease publishing the Applicable Benchmark Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of 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

(dd) a public statement by the supervisor of the administrator of the Applicable Benchmark Rate that the Applicable Benchmark Rate has been or will be permanently or indefinitely discontinued or there will be a material change in the methodology of calculating 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 by the supervisor of the administrator of the Applicable Benchmark Rate 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

(ff) 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

(gg) an alternative manner of calculating a SONIA-based base rate is introduced and becomes a standard means of calculating interest in the publicly listed asset backed floating rate notes market; or

(hh) it having become unlawful and/or impossible and/or impracticable for the Interest Determination Agent, the Paying Agent 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 (hh) will occur or exist within six months of the proposed effective date of such Benchmark Rate Modification; or

(B) if applicable, a Benchmark Rate Modification is being proposed pursuant to Condition 12(b)(v);

(C) 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 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 benchmark rate utilised in a publicly-listed new issue of Sterling denominated asset backed floating rate notes where the originator of the relevant assets is an Affiliate of MBFS; 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), Conditions 12(b)(ii)(7)(C)(aa) or Condition 12(b)(ii)(7)(C)(cc) above are not applicable and/or practicable in the context of Transaction UK 2020-2, and sets out the rationale in the Benchmark Rate Modification Certificate for choosing the proposed Alternative Benchmark Rate; and

(F) the modifications proposed are required solely for the purpose of applying the Alternative Benchmark Rate and making consequential modifications to any Transaction SA UK 2020-2 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

(G) the consent of each Secured Party which has a right to consent to such modification pursuant to the provisions of the Transaction SA UK 2020-2 Documents 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; and

(H) the Servicer pays (or arranges for the payment of) all fees, costs and expenses (including properly incurred legal fees and any initial or on-going costs associated with the Benchmark Rate Modification) incurred by the Issuer, the Note Trustee and the Security Trustee and any other Transaction Party in connection with such Benchmark Rate Modification,

provided that:

(I) the Benchmark Rate Modification Certificate shall be provided to the Note Trustee and the Security Trustee in draft form not less than five (5) Business Days prior to the date on which the Modification Noteholder Notice (as defined below) is sent to Noteholders; and

(II) the Benchmark Rate Modification Certificate shall be provided to the Note Trustee and the Security Trustee in final form not less than two (2) Business Days prior to the date on which the Benchmark Rate Modification takes effect; and

(III) a copy of the Modification Noteholder Notice (as defined below) provided to Noteholders pursuant to Condition 12(b)(ii)(9) shall be appended to the Benchmark Rate Modification Certificate,

and **provided further that**, other than in the case of a Modification pursuant to Conditions 12(b)(ii)(6) above:

(A) other than in the case of a Modification pursuant to Condition 12(b)(ii)(1) above, either:

(I) 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

(II) the Issuer certifies in the Modification Certificate or the Benchmark Rate Modification Certificate (as applicable) that it has given the Rating Agencies at least ten (10) Business Days' prior written notice of the proposed Modification and none of the Rating Agencies has indicated that such Modification would result in (x) a downgrade, qualification or, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Rating Agency or (y) such Rating Agency placing any such Notes on rating watch negative (or equivalent); and

(B) the Issuer has provided written notice of the proposed Modification or Benchmark Rate Modification to the Noteholders of each Class, at least forty (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:

(I) 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 (5) 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 forty (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 thirty (30) calendar days) and the method by which they may object; and

(II) the sub-paragraph(s) of Condition 12(b)(ii)(1) to (6) under which the Modification is being proposed or the sub-paragraph(s) of Condition 12(b)(ii)(7)(A) under which the Benchmark Rate Modification is being proposed; and

(III) in the case of a Benchmark Rate Modification, which Alternative Benchmark Rate is proposed to be adopted pursuant to Condition 12(b)(ii)(7)(C), and, where Condition 12(b)(ii)(7)(C)(dd) is being applied, the rationale for choosing the proposed Alternative Benchmark Rate;

(IV) in the case of a Benchmark Rate Modification, details of any consequential modifications that the Issuer has agreed will be made to any hedging agreement to which it is a party for the purpose of aligning any such hedging 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 UK 2020-2 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 thirty (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 UK 2020-2 being similarly hedged; and/or (iii) modifications to any hedging agreement would take effect later than thirty (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

(V) details of (i) other amendments which the Issuer proposes to make (if any) to these Conditions or any other Transaction SA UK 2020-2 Document and (ii) any new, supplemental or additional documents into which the Issuer proposes to enter to facilitate the changes envisaged pursuant to this Condition 12(b)(ii); and

(C) Noteholders holding or representing at least 10% of the principal amount of the Controlling Class outstanding on the Modification Record Date have not contacted the Issuer or the Note Trustee in writing (or in any other manner as the Registrar and Clearstream, Luxembourg and/or Euroclear, as the case may be, approve for this purpose) 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 principal amount of the Controlling Class outstanding on the Modification Record Date have notified the Issuer or the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing

system through which such Notes may be held) within the notification period referred to above that they do not consent to the Modification, then such Modification will not be made unless an Extraordinary Resolution of the holders of the most senior class of Notes outstanding on the Modification Record Date is passed in favour of such Modification in accordance with Schedule 4 (*Provisions for Meetings of the Noteholders)* to the Trust Deed.

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

(iii) Other than where specifically provided in Condition 12(b)(ii) or any Transaction SA UK 2020-2 Document:

(1) when implementing any Modification or Benchmark Rate Modification pursuant to Condition 12(b)(ii):

(A) the Note Trustee shall not consider the interests of the Noteholders, any other Secured Party 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)) and shall not be liable to the Noteholders, any other Secured Party 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 of 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, SA UK 2020-2 discretions, indemnification or protections, in the Transaction SA UK 2020-2 Documents and/or these Conditions.

(iv) 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 Notes rated by the Rating Agencies remains outstanding, each Rating Agency; and

(2) the Secured Parties; and

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

(v) 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 Notes pursuant to a Benchmark Rate Modification, the Issuer is entitled to propose a further Benchmark Rate Modification pursuant to Condition 12(b)(ii)(7).

(vi) Subject to Condition 2(h) (*Relationship between the Classes Notes*), the Note Trustee may, without prejudice to its rights with respect to any subsequent breach or event, from time to time and at any time, but only if and in so far as in its opinion the interests of the Noteholders will not be materially prejudiced, waive or authorise any breach or proposed breach, or direct the Security Trustee to waive or authorise any breach or proposed breach, by the Issuer of any of the provisions of the Trust Deed, the Deed of Charge or any other Transaction SA UK 2020-2 Documents or determine that any event will not be treated as an Issuer Event of Default for the purposes of the Trust Deed and or these Conditions, **provided that** the Note Trustee will not exercise any powers conferred on it by these Conditions in contravention of any direction by the Controlling Class acting by way of a Written Resolution or by way of an Extraordinary Resolution at the relevant date in accordance with these Conditions but no such direction will affect any authorisation, waiver or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Note Trustee may determine, will be binding on the Noteholders.

(vii) The Note Trustee will not by any act, delay, indulgence, omission or otherwise be deemed to have waived any right or remedy under these Conditions. A waiver by the Note Trustee of any right or remedy under these Conditions on any one occasion will not bar any right or remedy which the Note Trustee would otherwise have on any future occasion. The rights and remedies of the Note Trustee under these Conditions are cumulative and will not exclude any further rights or remedies which it would otherwise have.

(c) ***Substitution and exchange***

(i) Subject to the more detailed provisions of the Trust Deed and subject to such amendment of the Trust Deed, the Deed of Charge and any other Transaction SA UK 2020-2 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 Parties, 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 and the Notes and replacement for it under the Deed of Charge and any other Transaction SA UK 2020-2 Documents, **provided that** the Rating Agencies confirm that such substitution will not adversely affect the then current rating of each Class, or (ii) the exchange of the Notes, in whole but not in part only, for other securities or instruments having substantially the same rights and benefits as the Notes, **provided that** the then current rating of each Class by the Rating Agencies is attributed to any such new securities or instruments. Such substitution or exchange will be subject to the relevant provisions of the Trust Deed and the other Transaction SA UK 2020-2 Documents and to such amendments of the Trust Deed and the other Transaction SA UK 2020-2 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 and the Notes and replacement for it under the Deed of Charge and any other Transaction SA UK 2020-2 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 Parties, 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 or result in any withholding or deduction to be made or required from payments on the Notes.

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

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) the Note Trustee will take into account the interests of the Noteholders as a 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**

The Trust Deed, the Deed of Charge and certain other of the Transaction SA UK 2020-2 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 SA UK 2020-2 Documents (including, but without limitation, with respect to the Security), for the sufficiency and enforceability of the Trust Deed and the other Transaction SA UK 2020-2 Documents (which the Note Trustee has not investigated) and the validity, sufficiency and enforceability of the Deed of Charge and for taking proceedings to enforce payment unless, in each case, indemnified and/or secured and/or prefunded to its satisfaction. The Note Trustee and the Security Trustee and any of their affiliates are entitled to enter into business transactions with the Issuer, any subsidiary or other affiliate of the Issuer or any other party to the Transaction SA UK 2020-2 Documents or any obligor with respect to any of the Security or any of their subsidiary, holding or associated companies and to act as Note Trustee or Security Trustee for the holders of any securities issued by any of them without, in any such case, accounting to the Noteholders for any profit resulting therefrom.

The Note Trustee and the Security Trustee are exempted from liability with respect to any loss or theft or reduction in value of the Security and from any obligation to insure or to cause the insuring of the Security.

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 Parties 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 Parties 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 (i) published in the Luxemburger Wort or on the website of the Luxembourg Stock Exchange (www.bourse.lu) (or such other publication conforming to the rules of the Luxembourg Stock Exchange) if and to the extent a publication in such form is required by the rules of the Luxembourg Stock Exchange and (ii) delivered to Euroclear and Clearstream

Luxembourg for communication by it to the Noteholders. Any notice referred to under (i) above shall be deemed to have been given to all Noteholders on the date of such publication in the Luxemburger Wort or on the website of the Luxembourg Stock Exchange (www.bourse.lu) (or such other publication conforming to the rules of the Luxembourg Stock Exchange). Any notice referred to under (ii) above shall be deemed to have been given to all Noteholders on the seventh calendar day after the day on which such notice was delivered to Euroclear and Clearstream Luxembourg.

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 or a 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. For the avoidance of doubt, Articles 470-1 to 470-19 of the Luxembourg Companies Law do not apply to the Notes or the representation of Noteholders.

(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 Security Trustee and will not limit the right of the Security 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 SA UK 2020-2 DOCUMENTS

1. RECEIVABLES PURCHASE AGREEMENT

On the Issue Date, MBFS will sell to the Issuer and the Issuer will purchase from MBFS all right, title and interest of MBFS in the Portfolio. Such sale is made by way of absolute assignment and, accordingly, MBFS with full title guarantee and (in respect of any Receivable governed by Northern Irish law) as beneficial owner will assign to the Issuer all of its rights, title and interest 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 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 certain Obligor Notification Events.

Pursuant to the Receivables Purchase Agreement, the Seller represents to the Issuer that each Receivable and the related Financing Contract complied, as of the Cut-Off Date, with the Eligibility Criteria and, as of the Purchase Date, with the Seller Receivables Warranties set out in the Description of the Portfolio.

The Offer by the Seller for the purchase of Receivables under the Receivables Purchase Agreement contains certain relevant information for the purpose of identification of the Purchased Receivables. In the Offer, the Seller represents that certain representations and warranties with respect to the relevant Receivable are true and correct as of the Purchase Date. See "*DESCRIPTION OF THE PORTFOLIO — Seller Receivables Warranties*".

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

A sale and assignment of the Receivables pursuant to the Receivables 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 Eligibility Criteria and/or Seller Receivables Warranties, the Seller owes the payment of the Repurchase Price regardless of the respective Obligor's credit strength.

Vehicle Sale Proceeds Floating Charge

In relation to any Vehicles located in Scotland, at the same time as completion of the sale of the Receivables (together with their Ancillary Rights), the Seller will grant a Vehicle Sale Proceeds Floating Charge in favour of the Issuer in respect of Vehicle Sale Proceeds. The Seller will also undertake forthwith upon request by the Issuer to execute the Scottish Supplemental Charge of the Issuer's interest in the Vehicle Sale Proceeds Floating Charge for the purpose of acknowledging receipt of intimation of such assignation.

Repurchase Price

If the Seller (i) has breached the Eligibility Criteria as of the Cut-Off Date; or (ii) has breached the Seller Receivables Warranties as of the Purchase Date; or (iii) has exercised the Clean-Up Call with respect to all outstanding Purchased Receivables, the Seller shall pay to the Issuer the Repurchase Price. The Repurchase Price shall be equal to the sum of the Outstanding Receivables Amounts of the affected Purchased Receivables. Upon receipt thereof, such Purchased Receivable (unless it is extinguished) will be automatically re-assigned by the Issuer to the Seller on the next immediately following Payment Date on a non-recourse or guarantee basis on the part of the Issuer. The costs of such assignment will be borne solely by the Seller.

Notification of Assignment

The Obligors will only be notified by the Seller in respect of the assignment of the Purchased Receivables upon request by the Issuer following the occurrence of an Obligor Notification Event.

Should the Seller fail to notify the Obligors within three (3) Business Days of an Obligor Notification Event, the Issuer (or an agent appointed on its behalf and subject to the Data Protection Laws) shall promptly give notice in its own name (and/or on behalf of the Seller pursuant to the MBFS Power of Attorney) of the sale, assignment and assignation of all or any of the Purchased Receivables by delivering an Obligor Notification Event Notice within five (5) business days of an Obligor Notification Event. Furthermore, at any time after the occurrence of an Obligor Notification Event, each of the Issuer and the Security Trustee may:

(a) direct (and/or require the Seller to direct) all or any of the Obligors to pay amounts outstanding in respect of Purchased Receivables directly to the Issuer, the Operating Account or any other account which is specified by the Issuer or the Security Trustee; and/or

(b) take such other action and enter into such documents as it reasonably considers to be necessary, appropriate or desirable in order to recover any amount outstanding in respect of Purchased Receivables or to perfect, improve, protect, preserve or enforce their rights against the Obligors in respect of Purchased Receivables (including, without limitation, entering into supplemental transfer documents).

Clean-Up Call

On any Payment Date on which the Aggregate Outstanding Receivables Amount as per preceding Determination Date is less than 10% of the Aggregate Outstanding Receivables Amount at the Cut-Off Date or on which the Class A Notes including any interest accrued but unpaid thereon are redeemed in full, the Seller will (provided that on the relevant Payment Date no Enforcement Event has occurred) have the option under the Receivables Purchase Agreement (the "**Clean-Up Call**") to acquire all Purchased Receivables then outstanding against payment of the Repurchase Price subject to the following requirements (the "**Clean-Up Call Conditions**"):

(a) the Repurchase Price, together with the funds credited to the General Reserve Account and the Operating Account, is at least equal to the sum of (i) the aggregate Outstanding Note Principal Amount of all Notes plus (ii) accrued interest thereon plus (iii) all claims of any creditors of the Issuer in respect of Compartment Silver Arrow UK 2020-2 ranking prior to the claims of the Noteholders according to the applicable Priority of Payments; and

(b) the Seller shall have notified the Issuer of its intention to exercise the Clean-Up Call at least ten (10) days prior to the contemplated settlement date of the Clean-Up Call.

An early redemption of the Notes shall be excluded if the Clean-Up Call associated with that early redemption does not fully satisfy applicable regulatory requirements (applicable from time to time) in respect of Clean-Up Calls.

Upon payment in full of the amounts specified to, or for the order of, the Noteholders, no Noteholders shall be entitled to receive any further payments of interest or principal.

Sale of Vehicles

The Seller shall be obliged to (a) repossess and sell Vehicles upon any default by any Obligor or sell the Vehicles upon termination of the Financing Contract where the Vehicle is returned to the Sellers and (b) where the Vehicle is returned to the Seller to use its reasonable commercial endeavours to achieve a fair market price for such Vehicle sold or disposed of.

Rebate Payment in respect of Redelivery PCP Receivables and Voluntarily Terminated Receivables

Following the Redelivery PCP/VT Payment Date, the Seller will determine the amount of any related PCP/VT Deficit Amount and pay to the Issuer, by way of rebate of the Purchase Price relating to the relevant Purchased Receivable, an amount equal to the PCP/VT Deficit Amount in respect of such Purchased Receivable.

For the avoidance of doubt, the Seller is not obliged to make such a payment in respect of any Financing Contract subject to Early Settlement.

2. SERVICING AGREEMENT

Pursuant to the Servicing Agreement between the Servicer, the Security Trustee, the Calculation Agent and the Issuer, the Servicer has the right and obligation to administer the Purchased Receivables, collect and, if necessary, enforce the Purchased Receivables, repossess and sell Vehicles upon any default by any Obligor or sell the Vehicles upon termination of the Financing Contract where the Vehicle is returned to the Servicer, and pay all proceeds to the Issuer.

Obligation of the Servicer

The Servicer shall act as portfolio manager for the Issuer in relation to the Purchased Receivables under the Servicing Agreement. The duties of the Servicer include the assumption of servicing, collection, administrative and enforcement tasks and specific duties as set out below (the "**Services**"):

General Administration Obligations in relation to the Portfolio

(a) collect any and all amounts payable, from time to time, by the Obligors under or in relation to the Financing Contracts as and when they fall due;

(b) assist the Issuer's auditors and provide, subject to the Data Protection Laws, information to them upon request;

(c) promptly notify all Obligors following the occurrence of an Obligor Notification Event, or, if the Servicer fails to deliver such Obligor Notification Event Notice within three (3) Business Days after the Obligor Notification Event, the Issuer shall have the right to instruct a successor Servicer or an agent of the Issuer to deliver on its behalf the Obligor Notification Event Notice; and

(d) endeavour, at the expense of the Issuer, to seek Recovery Collections due from Obligors in accordance with the Credit and Collection Policy;

(e) enforce the Financing Contract upon a Purchased Receivables becoming a Defaulted Receivable in accordance with the Credit and Collection Policy and apply the Recovery Collections, and insofar as such Recovery Collections are applied to Purchased Receivables and constitute Collections, pay or process the payment of such Collections to the Issuer into the Operating Account on the same date as the payment by the relevant Obligor of the Collections; and

(f) on or about each Reporting Date update the Portfolio Information listed in Schedule 1 of the Servicing Agreement and send the updated Portfolio Information to the Issuer in encrypted form whilst at the same time ensuring that the Decryption Key entrusted to the Data Trustee remains valid and, if not, swiftly provide the Data Trustee with a new Decryption Key.

The Servicer will administer the Portfolio in accordance with its respective standard procedures, set out in the Credit and Collection Policy for the administration and enforcement of the Seller's own motor vehicle hire purchase agreements and personal contract plan agreements and in accordance with the Credit and Collection Policy, subject to the provisions of the Servicing Agreement and the Receivables Purchase Agreement.

In the administration and servicing of the Portfolio, the Servicer will exercise the due care and diligence of a prudent business person as if it was administering Purchased Receivables on its own behalf. The Servicer will ensure that it has all required licences, approvals, authorisations and consents that are necessary or desirable for the performance of its duties under the Servicing Agreement.

Cash Collection Arrangements

The Servicer shall:

(a) use all reasonable endeavours to direct the Obligors to make payments in respect of the Purchased Receivables into the Seller Collection Account;

(b) use all reasonable endeavours to collect all Purchased Receivables, and ensure payment of all sums, due under or in connection with the relevant Purchased Receivables;

(c) transfer all sums so collected into the Operating Account in accordance with the Servicing Agreement and, in particular, shall procure, as agent for the Issuer, that in relation to each relevant Purchased Receivable, all realised Collections in respect of each Collection Period, are remitted to the Operating Account as follows:

  (i) if and so long as the Commingling Condition is satisfied, on the Payment Date relating to such Collection Period; and

  (ii) if and so long as the Commingling Condition is not satisfied, within two (2) Business Days after the receipt thereof, or as otherwise directed by the Issuer or the Security Trustee;

(d) use all reasonable endeavours to enforce on behalf of the Issuer all obligations and covenants of Obligors under the Financing Contracts in the same manner as the Servicer does in relation to its receivables generally and, in particular, in accordance with the Credit and Collection Policy;

in each case on behalf of the Issuer and the Security Trustee in an efficient and timely fashion in accordance with the provisions of the Financing Contracts and the Credit and Collection Policy.

Records

(a) keep Purchased Receivable Records which can be segregated from all other records of the Servicer relating to other receivables made or serviced by such Servicer otherwise;

(b) keep records for all taxation purposes;

(c) hold, subject to the Data Protection Laws, all records relating to the Purchased Receivables in its possession in trust for, and to the order of, the Issuer and co-operate with the Data Trustee, the Security Trustee or any other party to Transaction SA UK 2020-2 Documents to the extent required under or in connection with any of the Transaction SA UK 2020-2 Documents;

Information and Regular Reporting

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

Pursuant to the terms of the Servicing Agreement, the Servicer shall (on behalf of the Reporting Entity), subject to the applicable data protection rules in England, Wales, Scotland or Northern Ireland (including the Data Protection Laws) and banking secrecy rules and the Data Trust Agreement, prepare and deliver to the Issuer, the Noteholders, (upon request) any potential investors in the Notes and the relevant competent authorities (as determined under the Securitisation Regulation and together, the "**Relevant Recipients**"):

(a) on a quarterly basis, the Loan Level Data;

(b) on each Reporting Date and simultaneously with the Loan Level Data referred to in (a) above, a Monthly Report in the form substantially as set out in Schedule 2 to the Calculation Agency Agreement and the Portfolio Information in encrypted form and in such format as set out in Schedule 1 to the Servicing Agreement;

(c) provide, upon reasonable request by the Issuer, such further information as reasonably requested by the Noteholders for the purposes of compliance of such Noteholders with the requirements under Article 5 of the Securitisation Regulation and its implementation into relevant national law, subject to applicable law and availability, provided that the Servicer shall be entitled to limit the frequency of the disclosure of such additional information to not more than four times in a calendar year;

(d) make available the documents as required by and in accordance with Article 7(1)(b) of the Securitisation Regulation prior to the pricing date of the Notes (and in final form, if applicable, no later than fifteen (15) days after the Issue Date);

(e) upon the occurrence of any event triggering the existence of any information provided for by article 7(1) points (f) and (g) of the Securitisation Regulation, prepare and deliver to the Relevant Recipients the Inside Information Report, without undue delay, subject to the timely receipt of all necessary information from the other Parties in their possession;

(f) disclose without undue delay any events which trigger changes in the Priority of Payments and any change in the Priority of Payments which will materially adversely affect the repayment of the Notes, to the extent required under Article 21(9) of the Securitisation Regulation; and

(g) disclose without delay any material changes from Servicer's prior underwriting policies and servicing collection procedures, to the extent required under Article 20(10) of the Securitisation Regulation and the Transaction SA UK 2020-2 Documents,

provided that (i) the Servicer will only be required to do so to the extent that the disclosure requirements under Article 7 of the Securitisation Regulation remain in effect and (ii) the Servicer will not be in breach of such undertaking if the Servicer fails to so comply due to events, actions or circumstances beyond the Servicer's control.

The Reporting Entity (or the Servicer on its behalf) will make all such information set forth under paragraphs (a) to (g) above available to the Relevant Recipeints as is required to be made available pursuant to Article 7(1) of the Securitisation Regulation and the applicable Regulatory Technical Standards.

The Reporting Entity (or the Servicer on its behalf) will make available the information required under Article 7(1) of the Securitisation Regulation and set out in points (a), (b), (c) and (d) above on the website of EuroABS (being, as at the date of this Prospectus, www.euroabs.com), being a website that conforms to the requirement set out in Article 7(2) of the Securitisation Regulation (the "**SR Website**") and, following registration of any securitisation repository under Article 10 of the Securitisation Regulation, with any such securitisation repository that the Issuer appoints in relation to the Notes (the "**SR Repository**"). For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus and has not been scrutinised or approved by the competent authority.

Loan Level Data

In addition, under the Servicing Agreement, subject to the provisions of the Data Protection Laws, the Servicer may, 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 are intended to be held in a manner which can allow Bank of England eligibility, make loan level data in such a manner available 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 17 December 2012 as amended and applicable from time to time).

Duty under the Swap Agreement

Under the Servicing Agreement, the Servicer undertakes to the Issuer that it will perform, prepare and submit the relevant reports, confirmations, reconciliation and keep the relevant records as required pursuant to the European Market Infrastructure Regulation ("**EMIR**"). and its relevant technical standards.

Credit and Collection Policy

Pursuant to the Servicing Agreement, the Servicer shall be authorised to modify the terms of a Purchased Receivable in accordance with the Credit and Collection Policy, **provided that** the latest payment due under any Purchased Receivable shall not be extended beyond the Legal Maturity Date. Furthermore, the Issuer and the Security Trustee authorise the Servicer under the Servicing Agreement to assign and transfer to a third party, in accordance with the Credit and Collection Policy, Purchased Receivables which have become Defaulted Receivables and in relation to which no further monies are expected to be recovered. For the avoidance of doubt, any proceeds resulting from such assignment shall constitute part of the Recovery Collections.

Under to the Receivables Purchase Agreement, the Issuer has agreed that the Credit and Collection Policy can be changed by the Seller from time to time, **provided that** such changes do not materially prejudice the rights of the Noteholders under the Notes.

Termination of Financing Contract, Enforcement and administration of Insurance Claims

If an Obligor defaults on a Purchased Receivable, the Servicer will proceed in accordance with the Credit and Collection Policy. The Servicer will abide by the enforcement and realisation procedures as set out in the Receivables Purchase Agreement and the Servicing Agreement in conjunction with the Credit and Collection Policy.

Upon the termination of a Financing Contract, the Seller is obliged in accordance with its Credit and Collection Policy and the Receivables Purchase Agreement to repossess and realise the respective Vehicle. After deducting any fees incurred in the sale of such Vehicle, the Servicer shall treat the remaining proceeds as Collections and credit such amounts to the Operating Account in accordance with the Receivables Purchase Agreement.

The Servicer will pay the portion of the Recovery Collections to the Issuer which have been or are to be applied to the Purchased Receivables or to which the Issuer is otherwise entitled in accordance with the Servicing Agreement.

The Servicer is authorised, until revocation by the Issuer and/or the Security Trustee and obliged to assert in accordance with its Credit and Collection Policy in effect from time to time in relation to the respective insurance companies, the Insurance Claims assigned to the Issuer pursuant to the Receivables Purchase Agreement. The Servicer is not required to monitor the compliance by the Obligors with the insurance provisions and the Servicer shall not be liable for any failure by an Obligor to comply with such provisions.

Use of Third Parties

The Servicer may delegate and sub-contract its duties in connection with its Services, **provided that** such third party has all licences required for the performance of the servicing delegated to it.

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 market standard Servicing Fee as agreed between the Issuer and the Servicer in a separate side letter. The Servicing Fee will be paid by the Issuer in accordance with the applicable Priority of Payments in monthly instalments on each Payment Date with respect to the immediately preceding Collection Period in arrear.

The Servicing Fee is calculated on the basis of the Aggregate Outstanding Receivables Amount. The Servicing Fee is inclusive of any VAT. The Servicing Fee is also inclusive of all costs, expenses and other disbursements reasonably incurred by the Servicer in connection with the

enforcement and servicing of the Purchased Receivables as well as the rights and remedies of the Issuer and the other Services.

In case an action needs to be taken in relation to an Obligor, the Servicer may, in accordance with the Credit and Collection Policy:

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

(b) on request keep the Issuer or the Security Trustee informed (respectively) of all material actions and decisions taken in each case following the Credit and Collection Policy.

Under the terms of the Servicing Agreement, the Collections received by the Servicer in respect of a Collection Period standing to the credit of the Seller Collection Account will be remitted to the Operating Account (i) if and so long the Commingling Condition is satisfied, on the Payment Date relating to such Collection Period, (ii) if and so long the Commingling Condition is not satisfied, within two (2) Business Days after receipt thereof or as otherwise directed by the Issuer or the Security Trustee. Until such transfer, the Servicer will hold the Collections and any other amount received on trust for the Issuer. All payments will be made free of all bank charges and costs. All payments and deposits will be made without withholding or deduction for or on account of any tax, unless required by law (or pursuant to FATCA), in which case they will be made net of any such required withholding or deduction.

Termination of appointment of the Servicer

Under the Servicing Agreement, the Issuer may at any time after the occurrence of a Servicer Termination Event terminate the appointment of the Servicer and appoint a successor Servicer. Pursuant to the terms of the Servicing Agreement, the Calculation Agent has agreed that it will facilitate the appointment of a suitable entity with all necessary facilities available to act as 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 terms of the Servicing Agreement, with the parties to the Servicing Agreement upon receipt of notice by the Servicer of the occurrence of a Servicer Termination Event.

According to the Servicing Agreement, the appointment of the Servicer is, *inter alia*, automatically terminated in the event that the Servicer is Insolvent and such event shall constitute an Obligor Notification Event.

Upon termination of the appointment of the Servicer and pursuant to the provisions of the Servicing Agreement, the Data Trustee shall have to, *inter alia*, at the request of the Issuer, despatch the Decryption Key to any successor Servicer or any agent, and the Issuer shall despatch the encrypted Portfolio Information to any successor Servicer or any agent.

The outgoing Servicer and the Issuer will execute such documents and take such actions as the Issuer may require for the purpose of transferring to the successor Servicer the rights and obligations of the outgoing Servicer, assumption by any successor Servicer of the specific obligations of a successor 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 and the appointment of a successor Servicer, the Servicer will transfer to the successor Servicer all Purchased Receivable Records and any and all related material, documentation and information.

Any termination of the appointment of the Servicer or of a successor Servicer will be notified by the Issuer (acting through the Corporate Services Provider) to the Servicer, the Rating Agencies, the Security Trustee, the Paying Agent, the Interest Determination Agent, the Data Trustee, the Account Bank, the Calculation Agent and the Swap Counterparty.

3. 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 will have to draw all amounts thereunder GBP 5,408,000.00 on or before the Issue Date which the Issuer will credit to the General Reserve Account.

The Subordinated Loan will be repaid in accordance with the applicable Priority of Payments.

All payments of principal and interest 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 Security becoming enforceable in accordance with the Deed of Charge, are not sufficient to pay all Secured Parties, payments of all other claims ranking in priority to the Subordinated Loan will be made first in accordance with the Post-enforcement 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.

4. DATA TRUST AGREEMENT

Pursuant to the terms of the Data Trust Agreement, the Seller will deliver to the Data Trustee the Decryption Key relating to the encrypted Portfolio Information received by the Issuer from the Seller under the Receivables Purchase Agreement. Pursuant to the Data Trust Agreement, the Data Trustee will keep the Decryption Key in safe custody and will protect it against unauthorised access by third parties.

If an Obligor Notification Event has occurred, pursuant to the Data Trust Agreement the Data Trustee will fully co-operate with the Security Trustee and the Issuer and any successor Servicer appointed by the Issuer. In this event, the Data Trustee will also use its best endeavours to ensure that all information necessary to permit timely Collections from the Obligors, especially the Decryption Key, is at the request of the Issuer duly and swiftly transferred to either the successor Servicer or any agent.

5. CALCULATION AGENCY AGREEMENT

Pursuant to the Calculation Agency Agreement, the Calculation Agent will, on behalf of the Issuer, *inter alia*, provide certain information to the Servicer for completion of the Monthly Report and upon receipt of the Monthly Reports provided by the Servicer, according to the Servicing Agreement, verify the plausibility, completeness and consistency of the data contained in the Monthly Reports, verify the Servicer's calculations in respect of Collections and any Repurchase Price and verify the Servicer's calculations in respect of the Pre-enforcement Priority of Payments.

Under the Calculation Agency Agreement, the Calculation Agent has undertaken to the Issuer to make available through the Calculation Agent's website (which is currently located at www.usbank.com/abs) the Monthly Investor Reports and any other post-issuance transaction information, no later than on each Calculation Date. The Monthly Investor Reports shall be based upon information provided in the Monthly Reports by the Servicer in accordance with the Servicing Agreement and will be in a form substantially the same as set out in Schedule 2 of the Calculation Agency Agreement. The Calculation Agent's website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon. Registration may be required for access to such website and persons

wishing to access the website will be required to certify that they are Noteholders or any of the other persons referred to above (as the case may be).

The Calculation Agent will only publish the complete Monthly Investor Report (including the data contained in the Monthly Report) if the Servicer has provided the Calculation Agent with the Monthly Report no later than on the relevant Reporting Date. The Calculation Agent will publish the Monthly Investor Report even if it has not received the Monthly Report from the Servicer to the extent possible.

In addition, the Calculation Agent will be performing certain cash management duties on behalf of the Issuer and will provide the payment instructions to the Account Bank to make cash payments due by the Issuer on the respective Payment Date pursuant to the applicable Priority of Payments.

The obligations of the Calculation Agent under the Calculation Agency Agreement shall terminate upon at least thirty (30) Business Days' written notice of termination from the Issuer, the Servicer or the Calculation Agent. The Calculation Agent shall notify the Issuer, the Security Trustee and the Rating Agencies of its intention to terminate the Calculation Agency Agreement.

6. AGENCY AGREEMENT

Pursuant to the Agency Agreement, the Issuer has appointed 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 has appointed the Interest Determination Agent to act as interest determination agent to determine the Applicable Benchmark Rate on each Interest Determination Date and provide such figure, *inter alia*, to the Calculation Agent and the Servicer.

The functions, rights and duties of the Paying Agent and the Interest Determination Agent are set out in the Conditions. See "*CONDITIONS OF THE NOTES*".

7. CORPORATE SERVICES AGREEMENT

Pursuant to a Corporate Services Agreement dated 25 March 2019, the Corporate Services Provider provides the Company with certain corporate and administrative functions in respect of all Compartments of the Company. Such services to the Company include, *inter alia*, providing the directors of the Company, 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.

The claims of the Issuer under the Corporate Services Agreement have been transferred to the Security Trustee for security purposes pursuant to the Deed of Charge. The Corporate Services Agreement is governed by the laws of Luxembourg.

8. BANK ACCOUNT AGREEMENT

Pursuant to the Bank Account Agreement, the Account Bank is appointed by the Issuer and will hold the Issuer Transaction Accounts for the Issuer in respect of its Compartment Silver Arrow UK 2020-2. During the life of the Transaction UK 2020-2, the Account Bank shall maintain the Required Rating.

The functions, rights and duties of the Account Bank are set out in the Bank Account Agreement.

Operating Account

The Operating Account of the Issuer will be maintained with the Account Bank.

If and so long as the Commingling Condition is satisfied, the Servicer will be required to remit all Collections in respect of a Collection Period standing to the credit of the Seller Collection Account to the Operating Account on the Payment Date relating to such Collection Period, **provided that** if and so long as the Commingling Condition is not satisfied, the Servicer will be required to remit all Collections in respect of a Collection Period standing to the credit of the Seller Collection Account to the Operating Account within two (2) Business Days after the receipt thereof or as

otherwise directed by the Issuer or the Security Trustee. The Issuer will use the Collections standing to the credit of the Operating Account together with the other amounts forming the Available Distribution Amount and will apply those amounts according to the applicable Priority of Payments.

General Reserve Account

The General Reserve Account of the Issuer will be maintained with the Account Bank.

The amount standing to the credit of the General Reserve Account as of the Issue Date will be £5,408,000.00. This will be credited on the Purchase Date from the Subordinated Loan proceeds received on such date.

On each Payment Date, prior to the issuance of an Enforcement Notice, the Issuer will credit to the General Reserve Account an amount such that the amount standing to the credit of the General Reserve Account is equal to the General Reserve Required Amount, subject to the Available Distribution Amount and in accordance with the Pre-enforcement Priority of Payments.

The amounts standing to the credit of the General Reserve Account from time to time will serve as liquidity support for the Class A Notes throughout the life of the transaction and will eventually serve as credit enhancement to the Notes.

Swap Collateral Account

The Swap Collateral Account of the Issuer will be maintained with the Account Bank.

If the Swap Counterparty ceases to be an Eligible Swap Counterparty, the Swap Counterparty 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.

The deposit in the Swap Collateral Account shall not constitute Collections and shall secure solely the payment obligations of the Swap Counterparty to the Issuer under the Swap Agreement and not any obligations of the Issuer.

The amounts in the Swap Collateral Account will be applied in or towards satisfaction of the Swap Counterparty's obligations to the Issuer upon termination of the Swap Agreement. Any Excess Swap Collateral shall not be available to Secured Parties and shall be returned to such Swap Counterparty outside the Priority of Payments.

On each Payment Date, any amount standing to the credit of the Swap Collateral Account which exceeds any required collateral amounts will be paid back by the Issuer to the Swap Counterparty outside the Priority of Payments.

Distribution Account

The Distribution Account will be maintained with the Issuer Account Bank.

On each Payment Date, the Calculation Agent shall transfer amounts representing Collections for the relevant Collection Period together with any net investment earnings on the Operating Account (if any) into the Distribution Account.

Amounts representing Collections for the relevant Collection Period together with other items comprising the Available Distribution Amount shall be applied by the Calculation Agent in accordance with the applicable Priority of Payments.

On each Payment Date, in accordance with the Priority of Payments, the Calculation Agent will pay to the Retained Profit Ledger any Retained Profit paid in accordance with the applicable Priority of Payments. Amounts may be debited from the Retained Profit Ledger from time to time to make payments in respect of corporate income or corporation tax to any relevant taxing or fiscal authority or agency and, thereafter, any dividend payments to the Issuer's shareholder.

9. CUSTODY AGREEMENT

Pursuant to the Custody Agreement, the Custodian provides certain custody services in relation to (i) any portion of the General Reserve Required Amount provided in the form of Eligible Securities and (ii) any collateral transferred to the Issuer by the Swap Counterparty which consists of certain securities as further specified in the Swap Agreement. Under the Custody Agreement, the Custodian will establish the Eligible Securities Account in which such securities will be held and provide certain custody services. The Custody Agreement is governed by English law. During the life of the Transaction UK 2020-2, the Custodian shall maintain the Required Rating.

10. 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 an ISDA Master Agreement, the associated schedule, a confirmation and a credit support annex.

Pursuant to the Swap Agreement entered into by the Issuer and the Swap Counterparty (which shall be an Eligible Swap Counterparty) in relation to the Class A Notes, the Issuer will pay to the Swap Counterparty on each Payment Date an amount equal to the product of (i) the Swap Notional Amount and (ii) the Swap Fixed Rate and (iii) the Day Count Fraction.

In return, the Swap Counterparty will pay to the Issuer on each Payment Date an amount equal to the product of (i) the Swap Notional Amount and (ii) a rate equal to the Applicable Benchmark Rate and (iii) the Day Count Fraction.

Notwithstanding the foregoing, in the event the rate equal to the Applicable Benchmark Rate calculated under the Swap Agreement is negative for any given calculation period such that the floating amount due and payable by the Swap Counterparty to the Issuer would be a negative amount, the payment obligation in respect of such calculation period and such negative amount will be reversed such that:

(a) the Swap Counterparty is not required to pay to the Issuer the absolute value of such negative amount; and

(b) the Issuer shall instead pay to the Swap Counterparty the absolute value of such negative amount.

The Swap Agreement will be constructed to fulfil the criteria of the Rating Agencies to support the AAA (sf)/ AAA (sf) target rating for the Class A Notes. The Swap Agreement is governed by English law.

Payments under the Swap Agreement will be exchanged on a net basis on each Payment Date. Payments made by the Issuer under the Swap Agreement (**provided that** there has been no event of default under the Swap Agreement where the Swap Counterparty is the defaulting party (as defined in the Swap Agreement) and there has been no termination of the transaction under the Swap Agreement (due to a termination event relating to the Swap Counterparty's downgrade)) rank higher in priority than all payments on the Notes. Payments by the Swap Counterparty to the Issuer under the Swap Agreement (except for payments by the Swap Counterparty into the Swap Collateral Account) will be made into the Operating Account. Payments by the Swap Counterparty 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 Counterparty is required to withhold or deduct any amount 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 made to the Issuer 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 Counterparty include, the following:

(1) failure to make a payment under the Swap Agreement when due, if such failure is not remedied within three (3) Business Days of notice of such failure being given; or

(2) the occurrence of certain bankruptcy and insolvency events.

Termination events under the Swap Agreement include, among other things, the following:

(1) illegality of the transactions contemplated by the Swap Agreement;

(2) 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 Counterparty that would eliminate the effect of such taxes has not taken place after the time set forth in the Swap Agreement;

(3) an Enforcement Event under the Conditions occurs or any Clean-Up Call or redemption in full, but not in part, of the Notes occurs; or

(4) failure of the Swap Counterparty 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 Counterparty:

  (i) posts an amount of collateral (in the form of cash and/or securities) as calculated in accordance with the credit support annex to the Swap Agreement; or

  (ii) obtains a guarantee from an institution with an acceptable rating; or

  (iii) transfers its rights and obligations under the Swap Agreement to a successor Swap Counterparty which is an Eligible Swap Counterparty; or

  (iv) take such other action in order to maintain the rating of the Class A Notes, or to restore the rating of the Class A Notes to the level it would have been at immediately prior to such downgrade.

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 in paragraph 4(i) above) shall be monitored on a specific collateral ledger and shall bear interest. Such cash collateral shall be segregated from the Operating 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.

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 party not being regarded as responsible for causing a termination event (pursuant to the provisions of the Swap Agreement) may, after a period of time set forth in the Swap Agreement, elect to terminate such Swap Agreement. If the Swap Agreement is terminated due to an event of default or a termination event, a Swap Termination Payment may be due to the Swap Counterparty by the Issuer out of its available funds. The amount of any such swap termination payment may be based on the actual cost or market quotations of the cost of entering into a similar swap transaction or such other methods as may be required under the Swap Agreement, in each case in accordance with the procedures set forth in the Swap Agreement. Any such Swap Termination Payment could, if market rates or other conditions have changed materially, be substantial. Under certain circumstances, termination payments required to be made by the Issuer to the Swap Counterparty will rank higher in priority than all payments on the Notes.

The Swap Counterparty may transfer its rights and obligations under the Swap Agreement to a third party which is an Eligible Swap Counterparty. In the event that the Swap Agreement is terminated in accordance with its terms, including as a result of the Swap Counterparty being downgraded or becoming insolvent, the Issuer will use best endeavours to replace it.

11. DEED OF CHARGE

The Notes are secured and will share the Security with the other Secured Obligations of the Issuer as set out in the Deed of Charge. The security granted by the Issuer includes:

(a) an assignment by way of first fixed security of all of its present and future right, title and interest to, in and under the Purchased Receivables;

(b) 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 Transaction Accounts together with all interest accruing from time to time thereon and the debts represented thereby;

(c) a first fixed charge over the benefit of each Eligible Security;

(d) assignment by way of first fixed security of the benefit of the Issuer under each English Transaction SA UK 2020-2 Document (other than the Deed of Charge); and

(e) a first floating charge over all the assets and undertaking of the Issuer.

The Issuer shall forthwith following the execution and delivery of the Vehicle Sale Proceeds Floating Charge execute and deliver to the Security Trustee, and procure the execution and delivery to the Security Trustee by the Seller of, a Scottish Supplemental Charge of the Issuer's interest in the Vehicle Sale Proceeds Floating Charge.

Enforcement of the Security

If the Note Trustee serves an Enforcement Notice on the Issuer and the Security Trustee, and the Security 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 as directed by the Controlling Class acting by way of Written Resolution or by way of an Extraordinary Resolution subject to the Note Trustee and/or the Security Trustee, as the case may be, having been indemnified and/or secured and/or prefunded to their satisfaction.

To the extent that the Note Trustee acts in accordance with such directions of the Controlling Class, 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 against the Issuer, whether the same arise under general law, the terms and conditions of the Notes, any Transaction SA UK 2020-2 Document or otherwise.

For the purposes of Article 21(4)(d) of the Securitisation Regulation, no provision of the Deed of Charge requires automatic liquidation upon default. The provisions of the Deed of Charge require an application of realisation proceeds (if any) obtained by the Security Trustee thereunder in a manner which satisfies the requirements of Article 21(4) of the Securitisation Regulation.

Post-Enforcement Priority of Payments

On enforcement of the Security, the Security Trustee is required to apply moneys available for distribution to satisfy the amounts owing by the Issuer in the Post-Enforcement Priority of Payments.

Shortfall after application of net proceeds of the Security

If the net proceeds of the Security being enforced and liquidated in accordance with the Deed Of Charge are not sufficient to pay the Notes after payment of all other claims ranking in priority to the Notes, the obligations of the Issuer under the Notes will be limited to such net proceeds and no other assets of the Issuer will be available for any further payments on the Notes. The right to receive any further payments will be extinguished.

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.

12. COLLECTION ACCOUNT DECLARATION OF TRUST

Pursuant to the Collection Account Declaration of Trust dated 5 October 2017 and supplemental declarations of trusts, MBFS declared a trust in favour of itself and issuers regarding existing securitisations over all amounts from time to time standing to the credit of the Seller Collection Account, into which customers pay amounts under receivable agreements, whether or not relating to the assigned receivables. The Issuer will become a beneficiary of the trust over the Collection Account under the Supplemental Collection Account Declaration of Trust to be dated on or about the Issue Date.

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 Account 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 Account 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 Account which is not allocated to the Issuer.

MBFS will, within two (2) business days of applying Collections standing to the credit of the Seller Collection Account to an Obligor's account, pay from the Seller Collection Account all monies received with respect to the Purchased Receivables into the Operating Account, **provided that** MBFS will not be required to transfer Collections received by it in respect of the Purchased Receivables prior to the Issue Date until the second Business Day following the Issue Date.

14. TRUST DEED

The Notes will be constituted pursuant to the Trust Deed to be entered into on the Issue Date between the Issuer and the Note Trustee.

Wilmington Trust SP Services (Frankfurt) GmbH 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 to take into account only the interests of the Controlling Class of Noteholders if, in the opinion of the Note Trustee there is a conflict between the interests of the Noteholders. None of the subordinate Noteholders may request or direct the Note Trustee or the Issuer to take any action or pass any effective Extraordinary Resolution if the effect of the same would, in the sole opinion of the Note Trustee, be materially prejudicial to the interests of the Controlling Class of Noteholders, and neither the Note Trustee nor the Issuer will be responsible to the subordinate Noteholders for disregarding any such request, direction or resolution.

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 Parties 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 Parties 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.

DESCRIPTION OF THE PORTFOLIO

The following is a description of the Portfolio. Note that the Purchased Receivables may not be replenished or replaced.

1. THE RECEIVABLES

The Purchased Receivables comprise full recourse claims against Obligors in respect of payments due under Financing Contracts (excluding Excluded Amounts) for the provision of credit for the purchase of motor vehicles (and therefore do not include any transferable securities or securitisation positions).

Although the borrower ("**Obligor**") is the registered keeper of the vehicle, MBFS retains title to the vehicles. The Financing Contracts 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 Financing Contracts are governed by English law and take the form of hire purchase agreements ("**HP Contracts**") and personal contract plan agreements ("**PCP Contracts**" or "**PCP**") between MBFS and Obligors.

HP Contracts

HP Contracts are available for both new and used vehicles. HP Contracts are a traditional method of financing a vehicle where the Obligor pays a deposit, and pays for the use of a Vehicle over an agreed period of time and for agreed regular payments. At the end of the term of the HP Contract, the Obligor pays certain administrative fees (including an option price) and gains ownership (title) of the Vehicle. With HP Contracts, the payments are calculated on the basis of the amount financed after the deposit has been paid.

PCP Contracts

MBFS's primary retail product is a PCP Contract marketed as 'Agility' which is a flexible method of financing a vehicle over a fixed term. PCP Contracts are available for both new and used vehicles.

PCP Contracts are similar to HP Contracts but with an additional larger "balloon" optional final payment at the end of the term of the PCP Contract. At the end of the term of the PCP Contract the Obligor has the option to:

(a) return the Vehicle;

(b) part-exchange the Vehicle for a new one; or

(c) purchase the Vehicle by paying the optional final payment.

The optional final payment is equal to a 'guaranteed future value' ("**GFV**") agreed when the contract was arranged. The GFV is established with reference to the vehicle specification (model and equipment), the term and mileage.

Payments are calculated on the basis of the amount financed after the deposit has been paid.

If the Obligor does not purchase the Vehicle, the sale proceeds of the Vehicle are transferred to the Issuer as Vehicle Sale Proceeds.

2. THE PURCHASE PRICE

The Purchase Price will be paid by the Issuer to MBFS as total consideration with respect to the Receivables (together with their related Ancillary Rights). The Purchase Price comprises the Initial Purchase Price which is payable by the Issuer to the Seller on the Issue Date and equals the Aggregate Outstanding Receivables Amount of the Receivables (together with their related Ancillary Rights) on the Cut-Off Date and the Deferred Consideration which is payable on each Payment Date in accordance with the applicable Priority of Payments.

The Notes issued by the Issuer are 100% collateralised by the Portfolio of Purchased Receivables.

3. **ELIGIBILITY CRITERIA**

"**Eligibility Criteria**" means, in respect of any Receivable (including, where relevant its Ancillary Rights) that is the subject of an Offer:

(a) such Receivable has been randomly selected;

(b) such Receivable has been originated by the Seller pursuant to a Financing Contract in the ordinary course of the Seller's business in compliance with the Credit and Collection Policy;

(c) the Obligor in respect of such Receivable:

(i) is not Insolvent;

(ii) is a body corporate or an individual;

(iii) if it is a corporate entity has its registered office in England, Scotland, Wales or Northern Ireland or, if it is an individual has its place of residence in England, Scotland, Wales or Northern Ireland;

(iv) is not an employee of Daimler AG or any of its affiliates;

(v) pays its monthly instalments through Direct Debit;

(vi) does not have a credit assessment indicating, based on the Credit and Collection Policy, a significant risk that contractually agreed payments will not be made; and

(vii) has made at least one scheduled monthly payment in respect of the Receivable;

(d) such Receivable has an original term of no longer than 60 months if the underlying Financing Contract is a PCP Contract or 72 months in respect of all other Financing Contracts;

(e) such Receivable can be validly transferred by way of sale and assignment, such transfer is not subject to any legal or contractual restriction which prevents the valid transfer thereof to the Issuer;

(f) such Receivable is owned by the Seller free of third party rights, including any set-off rights, any defence, retention or revocation rights of the relevant Obligor;

(g) such Receivable is not a Defaulted Receivable, a Redelivery PCP Contract or a Voluntarily Terminated Receivable;

(h) such Receivable is a Current Receivable;

(i) such Receivable is denominated and payable in Sterling;

(j) such Receivable is governed by the laws of England and Wales;

(k) such Receivable and related Financing Contract constitutes the legal, valid and binding obligations of the Obligor(s), enforceable against the Obligor(s) in accordance with its terms;

(l) such PCP Contract or HP Contract to which the Receivable relates is amortised on a monthly basis and gives rise to monthly instalment payments, and such Receivable may also be a Balloon Receivable;

(m) such Receivable is calculated using an interest rate above or equal to 0.5% and the interest rate applicable to the Receivable is fixed;

(n) the vehicle under the related Financing Contract has a sales price below or equal to £200,000;

(o) such Receivable is not subject to a current account relationship;

(p) MBFS holds legal title to the related Vehicle;

(q) if such Receivable is originated pursuant to a Financing Contract which is regulated by the Financial Services and Markets Act 2000 (Regulated Activities Order) 2001, the related Financing Contract complies in all material respects with the requirements of the Consumer Credit Act 1974, as amended (the "**CCA**"), associated secondary legislation on consumer financing and the rules in the Consumer Credit Sourcebook within the FCA Handbook and, in particular contain legally accurate instructions in respect of the right of cancellation or withdrawal of the Obligors and that none of the Obligors has used its right of revocation within the term of cancellation or withdrawal and, to the best of the Seller's knowledge, the UTCC Regulations and CRA15, and the Seller has not done anything that would cause such Receivable to be unenforceable under the CCA;

(r) that other than the right to make partial early repayments as provided for in the CCA, there are no provisions in the Financing Contract related to such Receivable whereby the Obligor may reduce the amount of such Receivable payable by the Obligor below the level of the stated payments as at the date of commencement of such Financing Contract. However, at the discretion of the Servicer and in accordance with the Credit and Collection Policy, the Obligor may be given an option to reschedule repayments in a manner that increases or decreases the term of such Financing Contract and the consequential finance income; **provided, that** the total capital repayment shall not be impacted by any such measure;

(s) that the Seller held the necessary permissions pursuant to the Financial Services and Markets Act 2000;

(t) with respect to such Receivable, the Seller has complied with all Data Protection Laws with respect to such Receivable;

(u) the terms of the Financing Contract require the Obligor to pay all insurance, repair/maintenance and taxes with respect to the related Vehicle;

(v) the vehicle related to such Receivable has not been recorded in the systems of MBFS as a total loss for insurance purposes or has been recorded in the systems of MBFS as stolen;

(w) the applicable details of the vehicle and the Financing Contract have been submitted for registration with HP Information Ltd;

(x) any third party intermediary who has introduced a Financing Contract to the Seller was prior to 1 April 2014 appropriately licensed under the Consumer Credit Act 1974 and after 1 April 2014 held the necessary permissions pursuant to the Financial Services and Markets Act 2000;

(y) the amount of such Receivable when aggregated with other Receivables arising under Financing Contracts with any one Obligor would not cause the total Receivables in respect of such single Obligor to exceed £750,000;

(z) under UK tax law, no withholding tax will apply to any payments made to the Issuer in respect of such Receivable;

(aa) such Receivable is not payable on a Financing Contract relating to a Commercial Vehicle if that underlying Financing Contract is a PCP Contract; and

(bb) neither the relevant Receivable nor any associated Ancillary Right is 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) or a chargeable interest (as such term is defined for the purposes of each of

section 48 of the Finance Act 2003, section 4 of the Land Transaction Tax and Anti-Avoidance of Devolved Taxes (Wales) Act 2017 and section 4 of the Land and Buildings Transaction Tax (Scotland) Act 2013).

If one or more Receivables did not fulfil the Eligibility Criteria on the Cut-Off Date, the Seller shall be obliged to repurchase such Receivable at the relevant Repurchase Price on the next Payment Date.

4. **SELLER RECEIVABLES WARRANTIES**

As of the Purchase Date, the Seller represents and warrants the following:

(a) that all Receivables (together with their Ancillary Rights) comply with the Eligibility Criteria on the Cut-off Date, including that they are valid and enforceable and not subject to any right of revocation, set-off or counter-claim, warranty claims of the Obligors or any other right of objection due to their compliance with all relevant applicable consumer legislation in the United Kingdom. Any misrepresentation of the Seller regarding the non-eligibility shall be remedied only in accordance with clause 13 (*Repurchase*) of the Receivables Purchase Agreement;

(b) it has not altered the Receivables' legal existence or otherwise waived, altered or modified any provision in relation to any Receivable, in particular, it has not impaired the Receivables (and the Ancillary Rights relating thereto) by challenge, termination or any other means, unless made in accordance with the provisions of the Servicing Agreement;

(c) all information given in respect of the Receivables (and their Ancillary Rights) is true and correct in all material aspects, a Financing Contract identifier therein allows each Purchased Receivable to be identifiable in the Seller's systems and the Financed Vehicle's identification number stated in each of the Financing Contracts or any information or document relating thereto, allows each Financed Vehicle relating to a Receivable to be separately identified;

(d) the Seller, in its role as Servicer, will, on behalf of the Issuer, satisfy and provide loan-level data in such a manner available 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 17 December 2012 as amended and applicable from time to time);

(e) the Purchased Receivables (i) comply with Article 1 of Commission Delegated Regulation (EU) 2019/1851 of 28 May 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards on the homogeneity of the underlying exposures in securitisation (the "**Homogeneity RTS**") and (ii) with particular reference to paragraph (d) of Article 1 of the Homogeneity RTS, are homogeneous with reference to the homogeneity factor available for auto loans under Article 2(4)(b) of the Homogeneity RTS as all the Obligors have residence in the United Kingdom;

(f) the information provided by the Originator (or the Servicer on its behalf) in accordance with Article 7(1)(a) and (e) of the Securitisation Regulation explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring;

(g) prior to the Issue Date, a representative sample of the Purchased Receivables 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 STS Requirements, or an affiliate of the Originator. Such external verification included the verification of the compliance of the Purchased Receivables with certain verifiable Eligibility Criteria and the verification, by performing agreed upon procedures, that the data disclosed in respect of the Purchased Receivables are accurate;

(h) to make available on an ongoing basis to the Noteholders – via EuroABS – and, upon request, to any potential investor in the Notes, an accurate model representing precisely the contractual relationship between the Purchased Receivables and the payments flowing between the Originator, the Noteholders, the Issuer and any other party to the Securitisation which shall contain an amount of information sufficient to allow such potential investor to price the Notes; and

(i) where available to the Originator, to include the environmental performance of the Financed Vehicles in the Monthly Report.

If one or more Receivables (together with their Ancillary Rights) did not fulfil the Seller Receivables Warranties on the Purchase Date, the Seller shall be obliged to repurchase such Purchased Receivable at the relevant Repurchase Price on the next Payment Date.

5. **SELLER STS WARRANTIES**

As of the Purchase Date, the Seller represents and warrants the following:

(a) it has assessed the Obligors' creditworthiness in accordance with the requirements set out in the provisions of article 8 of Directive 2008/48/EC;

(b) none of the Purchased Receivables was as at the Cut-off Date an exposure in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013 or an exposure to a credit-impaired debtor or guarantor, who, to the best of the Originator's knowledge:

(i) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt- restructuring process with regard to his non-performing exposures within three years prior to the Purchas Date, except if:

(A) a restructured underlying exposure has not presented new arrears since the date of the restructuring, which must have taken place at least one year prior to the Issue Date; and

(B) the information provided by the Originator, the Arranger and the Issuer in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) of the Securitisation Regulation explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring.

(ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or another credit registry that is available to the Originator; or

(iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the Originator which are not securitised.

(c) the Portfolio does not include derivatives.

6. **NOTIFICATION OF ASSIGNMENT TO OBLIGORS**

The Obligors will only be notified by the Seller in respect of the assignment of the Purchased Receivables upon request by the Issuer following the occurrence of an Obligor Notification Event.

Should the Seller fail to notify the Obligors within 3 (three) Business Days of an Obligor Notification Event, the Issuer (or an agent appointed on its behalf and subject to data protection laws) shall promptly give notice in its own name (and/or on behalf of the Seller pursuant to the MBFS Power of Attorney) of the sale, assignment and assignation of all or any of the Purchased Receivables by delivering an Obligor Notification Event Notice within five (5) Business Days of

an Obligor Notification Event. Furthermore, at any time after the occurrence of an Obligor Notification Event, each of the Issuer and the Security Trustee may:

(a) direct (and/or require the Seller to direct) all or any of the Obligors to pay amounts outstanding in respect of Purchased Receivables directly to the Issuer, the Operating Account or any other account which is specified by the Issuer or the Security Trustee; and/or

(b) take such other action and enter into such documents as it reasonably considers to be necessary, appropriate or desirable in order to recover any amount outstanding in respect of Purchased Receivables or to perfect, improve, protect, preserve or enforce their rights against the Obligors in respect of Purchased Receivables (including, without limitation, entering into supplemental transfer documents).

The Purchased Receivables acquired and transferred by assignment or held in trust under the Receivables Purchase Agreement have characteristics that demonstrate capacity to produce funds to service payments due and payable on the Notes, however, MBFS does not warrant the solvency (credit standing) of the relevant Obligors.

PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA

The portfolio information presented in this Prospectus is based on a final portfolio as of the Cut-Off Date.

External Verification

Pursuant to Article 22(2) of the Securitisation Regulation and the EBA Guidelines on STS Criteria, an external verification which the Issuer confirms applied a confidence level higher than 95% has been made in respect of the Portfolio prior to the Issue Date by an appropriate and independent party, including (i) verification, by performing agreed upon procedures, that the data disclosed in respect of the Purchased Receivables is accurate (the "**External Verification**"), and (ii) compliance of the Purchased Receivables with the Eligibility Criteria and, in this respect, the Issuer is of the view that no significant adverse findings have been found.

Portfolio Characteristics

Number of Underlying Agreements	36,146.00
Total Current Outstanding Balance	675,999,341.35
Average Current Outstanding Balance	18,701.91
Minimum Current Outstanding Balance	1,003.81
Maximum Current Outstanding Balance	157,540.54
Minimum Customer Interest Rate	1.90
Maximum Customer Interest Rate	11.66
Weighted Average Customer Interest Rate	6.42
Minimum Original Term (months)	12.00
Maximum Original Term (months)	60.00
Weighted Average Original Term (months)	45.73
Weighted Average Remaining Term (months)	26.60
Weighted Average Seasoning (months)	18.13

Portfolio Information – Distribution by New-Used Sub-portfolio (HP/PCP)

Product	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
New Hire Purchase	1,787	4.94%	19,943,339.21	2.95%
Used Hire Purchase	4,563	12.62%	40,669,775.97	6.02%
New Contract Purchase	18,152	50.22%	415,147,293.61	61.41%
Used Contract Purchase	11,644	32.21%	200,238,932.56	29.62%
Total	**36,146**	**100.00%**	**675,999,341.35**	**100.00%**

Portfolio Information – Distribution by New-Used-Sub-portfolio (Passenger Car/Commercial Vehicle)

New and Used	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
New Passenger Car	18,495	51.17%	413,243,334.40	61.13%
Used Passenger Car	15,366	42.51%	232,275,210.61	34.36%
New Commercial Vehicle	1,444	3.99%	21,847,298.42	3.23%
Used Commercial Vehicle	841	2.33%	8,633,497.92	1.28%
Total	**36,146**	**100.00%**	**675,999,341.35**	**100.00%**

Portfolio Information – Distribution by Original Principal Balance

Size by Original Balance	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
0.01 – 5,000.00	526	1.46%	1,262,518.03	0.19%
5,000.01 – 10,000.00	2,081	5.76%	10,808,312.72	1.60%
10,000.01 – 15,000.00	4,063	11.24%	35,817,492.09	5.30%
15,000.01 – 20,000.00	5,996	16.59%	79,599,136.81	11.78%
20,000.01 – 25,000.00	8,261	22.85%	145,856,453.55	21.58%
25,000.01 – 30,000.00	6,424	17.77%	137,110,768.11	20.28%
30,000.01 – 35,000.00	3,983	11.02%	100,232,021.56	14.83%
35,000.01 – 40,000.00	2,404	6.65%	70,540,900.83	10.44%
40,000.01 – 45,000.00	1,096	3.03%	36,188,383.33	5.35%
45,000.01 – 50,000.00	568	1.57%	21,344,814.84	3.16%

Size by Original Balance	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
50,000.01 – 55,000.00	308	0.85%	13,109,400.05	1.94%
55,000.01 – 60,000.00	166	0.46%	7,672,886.04	1.14%
60,000.01 – 65,000.00	95	0.26%	4,732,563.15	0.70%
65,000.01 – 100,000.00	145	0.40%	8,753,855.25	1.29%
100,000.01 – 140,000.00	25	0.07%	2,295,945.37	0.34%
140,000.01 >=	5	0.01%	673,889.62	0.10%
Total	**36,146**	**100.00%**	**675,999,341.35**	**100.00%**
Minimum	2,695.00			
Maximum	174,828.86			
Average	24,247.19			

Portfolio Information – Distribution by Current Principal Balance

Size by Current Principal Balance	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
0.01 – 5,000.00	2,234	6.18%	6,920,801.20	1.02%
5,000.01 – 10,000.00	4,248	11.75%	32,455,054.34	4.80%
10,000.01 – 15,000.00	6,467	17.89%	81,646,737.98	12.08%
15,000.01 – 20,000.00	8,313	23.00%	146,461,551.31	21.67%
20,000.01 – 25,000.00	7,280	20.14%	162,288,680.04	24.01%
25,000.01 – 30,000.00	3,945	10.91%	107,426,308.96	15.89%
30,000.01 – 35,000.00	1,883	5.21%	60,607,479.31	8.97%
35,000.01 – 40,000.00	819	2.27%	30,474,203.98	4.51%
40,000.01 – 45,000.00	400	1.11%	16,899,138.23	2.50%
45,000.01 – 50,000.00	270	0.75%	12,771,433.97	1.89%
50,000.01 – 55,000.00	114	0.32%	5,965,290.08	0.88%
55,000.01 – 60,000.00	67	0.19%	3,833,588.56	0.57%
60,000.01 – 65,000.00	25	0.07%	1,560,743.41	0.23%
65,000.01 – 100,000.00	67	0.19%	5,015,449.11	0.74%
100,000.01 – 140,000.00	12	0.03%	1,370,402.94	0.20%
140,000.01 >=	2	0.01%	302,477.93	0.04%
Total	**36,146**	**100.00%**	**675,999,341.35**	**100.00%**
Minimum	1,003.81			
Maximum	157,540.54			
Average	18,701.91			

Portfolio Information – Distribution by Vehicle Type I (New/Used)

New and Used	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
New	19,939	55.16%	435,090,632.82	64.36%
Used	16,207	44.84%	240,908,708.53	35.64%
Total	**36,146**	**100.00%**	**675,999,341.35**	**100.00%**

Portfolio Information – Distribution by Vehicle Type II (Passenger Car/Commercial Vehicle)

Vehicle Type	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
Passenger Car	33,861	93.68%	645,518,545.01	95.49%
Commercial Vehicle	2,285	6.32%	30,480,796.34	4.51%
Total	**36,146**	**100.00%**	**675,999,341.35**	**100.00%**

Portfolio Information – Distribution by Customer Type (Private/Commercial)

Customer Type	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
Private Individual	33,216	91.89%	629,271,076.82	93.09%
Company	2,347	6.49%	38,648,996.58	5.72%
Partnership	112	0.31%	1,844,867.74	0.27%

Customer Type	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
Sole Trader	471	1.30%	6,234,400.21	0.92%
Total	**36,146**	**100.00%**	**675,999,341.35**	**100.00%**

Portfolio Information – Distribution by Contract Type (HP/PCP)

Product	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance	Balloon Balance	Balloon % of Total
Hire Purchase	6,350	17.57%	60,613,115.18	8.97%	79,964.99	0.01%
HP – No Balloon	*6,338*	*17.53%*	*60,404,295.38*	*8.94%*	*0.00*	*0.00%*
HP – With Balloon	*12*	*0.03%*	*208,819.80*	*0.03%*	*79,964.99*	*0.01%*
Contract Purchase	29,796	82.43%	615,386,226.17	91.03%	394,474,023.19	58.35%
Total	**36,146**	**100.00%**	**675,999,341.35**	**100.00%**	**394,553,988.18**	**58.37%**

Portfolio Information – Distribution by Customer Region

Region	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
London	7,139	19.75%	133,236,230.60	19.71%
South East England	4,817	13.33%	93,089,856.53	13.77%
North West England	4,807	13.30%	89,183,264.22	13.19%
East of England	4,036	11.17%	74,754,497.01	11.06%
South West England	2,611	7.22%	49,624,216.16	7.34%
Scotland	2,780	7.69%	50,742,028.82	7.51%
West Midlands	2,578	7.13%	47,347,424.73	7.00%
East Midlands	2,366	6.55%	44,070,779.15	6.52%
Yorkshire and the Humber	2,362	6.53%	44,523,466.68	6.59%
Wales	1,331	3.68%	24,123,728.12	3.57%
North East England	986	2.73%	19,312,763.14	2.86%
Northern Ireland	320	0.89%	5,777,946.03	0.85%
Isle Of Man	13	0.04%	213,140.16	0.03%
Total	**36,146**	**100.00%**	**675,999,341.35**	**100.00%**

Portfolio Information – Distribution by Customer Interest Rate

Customer Interest Rate	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
0	0	0.00%	0.00	0.00%
0.00% < X <= 5.00%	5,241	14.50%	72,548,762.83	10.73%
5.00% < X <= 7.50%	20,353	56.31%	448,357,987.68	66.33%
7.50% < X <= 10.00%	8,212	22.72%	125,980,066.83	18.64%
10.00% < X <= 12.50%	2,340	6.47%	29,112,524.01	4.31%
12.50% < X <= 15.00%	0	0.00%	0.00	0.00%
15.00% < X <= 17.50%	0	0.00%	0.00	0.00%
17.50% < X <= 20.00%	0	0.00%	0.00	0.00%
20.00% < X <= 22.50%	0	0.00%	0.00	0.00%
22.50% < X <= 25.0%	0	0.00%	0.00	0.00%
Total	**36,146**	**100.00%**	**675,999,341.35**	**100.00%**

Minimum	1.90%
Maximum	11.66%
Weighted Average	6.42%

Portfolio Information – Distribution by Original Term

Original Term	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
0 < X < 12	0	0.00%	0.00	0.00%
12 <= X < 24	32	0.09%	1,125,363.24	0.17%
24 <= X < 36	1,065	2.95%	13,679,279.57	2.02%
36 <= X < 48	7,781	21.53%	133,089,895.47	19.69%
48 <= X < 60	24,846	68.74%	495,712,082.43	73.33%

Original Term	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
60 <= X <= 72	2,422	6.70%	32,392,720.64	4.79%
Total	**36,146**	**100.00%**	**675,999,341.35**	**100.00%**
Minimum	12.00			
Maximum	60.00			
Weighted Average	45.73			

Portfolio Information – Distribution by Remaining Term

Remaining Term	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
0 < = X < 12	6,271	17.35%	87,903,600.82	13.00%
12 <= X < 24	10,659	29.49%	178,717,907.22	26.44%
24 <= X < 36	11,468	31.73%	232,883,370.48	34.45%
36 <= X < 48	7,062	19.54%	164,130,779.32	24.28%
48 <= X < 60	686	1.90%	12,363,683.51	1.83%
60 <= X <= 72	0	0.00%	0.00	0.00%
Total	**36,146**	**100.00%**	**675,999,341.35**	**100.00%**
Minimum	1.00			
Maximum	56.00			
Weighted Average	26.60			

Portfolio Information – Distribution by Seasoning

Seasoning	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
0 < X < 6	2,995	8.29%	71,253,033.37	10.54%
6 <= X < 12	6,361	17.60%	140,354,567.73	20.76%
12 <= X < 18	6,882	19.04%	136,488,610.54	20.19%
18 <= X < 24	6,826	18.88%	125,722,384.06	18.60%
24 <= X < 30	5,497	15.21%	93,517,240.83	13.83%
30 <= X < 36	4,062	11.24%	62,552,100.67	9.25%
36 <= X < 42	2,128	5.89%	29,824,630.23	4.41%
42 <= X < 48	1,241	3.43%	15,533,557.21	2.30%
48 <= X < 54	116	0.32%	582,680.95	0.09%
54 <= X < 60	38	0.11%	170,535.76	0.03%
60 <= X <= 72	0	0.00%	0.00	0.00%
Total:	**36,146**	**100.00%**	**675,999,341.35**	**100.00%**
Minimum	3.00			
Maximum	58.00			
Weighted Average	18.13			

Portfolio Information – Payment Method

Payment Method	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
Direct Debit	36,146	100.00%	675,999,341.35	100.00%
Other	0	0.00%	0.00	0.00%
Total	**36,146**	**100.00%**	**675,999,341.35**	**100.00%**

Portfolio Information – Distribution by Vehicle Make

Make Description	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
Mercedes-Benz PC	31,802	87.98%	632,280,097.41	93.53%
Mercedes-Benz LCV	2,285	6.32%	30,480,796.34	4.51%
Smart	2,059	5.70%	13,238,447.60	1.96%
Total:	**36,146**	**100.00%**	**675,999,341.35**	**100.00%**

Portfolio Information – Distribution by Asset Type Description

Asset Type Description	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
A-Class	10,015	27.71%	166,277,141.07	24.60%
AMG GT 4-door Coupé	3	0.01%	298,497.05	0.04%
B-Class	708	1.96%	9,622,631.15	1.42%
C-Class	5,980	16.54%	108,997,564.64	16.12%
Citan-Class	232	0.64%	1,295,567.30	0.19%
CLA-Class	1,393	3.85%	25,923,626.21	3.83%
CLS-Class	338	0.94%	7,778,063.18	1.15%
E-Class	4,132	11.43%	87,573,994.12	12.95%
G-Class	30	0.08%	2,382,089.58	0.35%
GLA-Class	2,648	7.33%	47,597,492.93	7.04%
GLB Class	46	0.13%	1,490,959.77	0.22%
GLC-/GLK-Class	4,037	11.17%	103,184,847.45	15.26%
GLE-/ML-Class	1,333	3.69%	41,874,182.63	6.19%
GLS-Class / GL-Class	125	0.35%	4,908,151.05	0.73%
GT-Class	25	0.07%	1,857,360.07	0.27%
S-Class	239	0.66%	7,355,122.70	1.09%
SL-Class	110	0.30%	3,331,597.31	0.49%
SLC-/SLK-Class	461	1.28%	7,372,792.93	1.09%
Sprinter-Class	392	1.08%	3,582,903.68	0.53%
Sprinter VS30	564	1.56%	10,240,992.96	1.51%
V-Class	179	0.50%	4,453,983.57	0.66%
Vito-Class	926	2.56%	11,333,102.76	1.68%
Smart	2,059	5.70%	13,238,447.60	1.96%
X-Class Pickup	171	0.47%	4,028,229.64	0.60%
Total:	**36,146**	**100.00%**	**675,999,341.35**	**100.00%**

Portfolio Information – Top 20 Obligors

Top 20 Obligors	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
1	10	0.03%	253,811.31	0.04%
2	2	0.01%	224,246.09	0.03%
3	7	0.02%	196,493.75	0.03%
4	2	0.01%	169,771.62	0.03%
5	1	0.00%	157,540.54	0.02%
6	7	0.02%	145,873.25	0.02%
7	2	0.01%	143,987.63	0.02%
8	7	0.02%	135,216.42	0.02%
9	7	0.02%	134,111.74	0.02%
10	5	0.01%	125,361.67	0.02%
11	1	0.00%	125,163.10	0.02%
12	12	0.03%	123,947.26	0.02%
13	2	0.01%	121,446.86	0.02%
14	1	0.00%	120,867.68	0.02%
15	1	0.00%	119,545.70	0.02%
16	1	0.00%	117,184.01	0.02%
17	12	0.03%	115,148.82	0.02%
18	1	0.00%	114,605.04	0.02%
19	2	0.01%	113,728.22	0.02%
20	1	0.00%	113,192.29	0.02%
Other	36,062	99.77%	673,128,098.35	99.58%
Total:	36,146	100.00%	675,999,341.35	100.00%

Portfolio Information – PCP Original Balloon Amount as a % of Original Balance

PCP Balloon as a % of Original Balance	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
0.000 – 9.999	7	0.02%	88,880.23	0.01%
10.000 – 19.999	58	0.19%	777,495.54	0.13%
20.000 – 29.999	565	1.90%	8,165,728.67	1.33%
30.000 – 39.999	3,296	11.06%	52,642,639.45	8.55%
40.000 – 49.999	11,660	39.13%	241,087,463.43	39.18%
50.000 – 59.999	9,415	31.60%	206,841,545.66	33.61%
60.000 – 69.999	3,124	10.48%	68,366,496.43	11.11%

PCP Balloon as a % of Original Balance	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
70.000 – 79.999	1,185	3.98%	26,197,741.26	4.26%
80.000 - 89.999	486	1.63%	11,218,235.50	1.82%
90.000 - 99.999	0	0.00%	0.00	0.00%
100.000 >=	0	0.00%	0.00	0.00%
Total	**29,796**	**100.00%**	**615,386,226.17**	**100.00%**
Minimum	0.00%			
Maximum	89.96%			
Weighted Average	51.44%			

Portfolio Information – Current PCP Balloon Amount Distribution

Current PCP Ballon - Distribution by Balloon Amount	Number of Underlying Agreements	% Distribution by Number	Current Outstanding PCP Balance	% Distribution by Balance
0.0 - 5,000.00	2,026	6.80%	15,600,247.77	2.54%
5,000.01 - 10,000.00	6,419	21.54%	87,868,380.03	14.28%
10,000.01 - 15,000.00	11,911	39.98%	235,550,512.89	38.28%
15,000.01 - 20,000.00	6,036	20.26%	156,016,438.19	25.35%
20,000.01 - 25,000.00	2,234	7.50%	68,904,040.29	11.20%
25,000.01 - 30,000.00	743	2.49%	29,143,713.58	4.74%
30,000.01 - 35,000.00	272	0.91%	12,753,387.92	2.07%
35,000.01 - 40,000.00	78	0.26%	3,886,578.03	0.63%
40,000.01 - 45,000.00	40	0.13%	2,305,527.34	0.37%
45,000.01 - 50,000.00	15	0.05%	1,172,890.73	0.19%
50,000.01 - 75,000.00	18	0.06%	1,772,121.59	0.29%
75,000.01 - 100,000.00	4	0.01%	412,387.81	0.07%
Total	**29,796**	**100.00%**	**615,386,226.17**	**100.00%**
Minimum	0.00			
Maximum	94,325.00			
Weighted Average	15,562.38			

Portfolio Information – PCP Quarter of Maturity Distribution

PCP Quarter of Maturity Distribution	Number of Underlying Agreements	% Distribution by Number	Current Outstanding Balance	% Distribution by Balance
2020 Q4	291	0.98%	4,207,422.41	0.68%
2021 Q1	1,426	4.79%	22,324,144.80	3.63%
2021 Q2	1,192	4.00%	19,019,371.68	3.09%
2021 Q3	1,729	5.80%	29,709,662.06	4.83%
2021 Q4	1,568	5.26%	27,982,013.85	4.55%
2022 Q1	2,361	7.92%	42,327,246.70	6.88%
2022 Q2	1,954	6.56%	35,897,908.25	5.83%
2022 Q3	2,713	9.11%	54,343,966.64	8.83%
2022 Q4	2,173	7.29%	43,151,753.98	7.01%
2023 Q1	3,192	10.71%	67,417,982.85	10.96%
2023 Q2	2,145	7.20%	47,670,817.04	7.75%
2023 Q3	2,414	8.10%	55,487,823.63	9.02%
2023 Q4	1,909	6.41%	45,653,725.65	7.42%
2024 Q1	2,665	8.94%	66,855,035.17	10.86%
2024 Q2	1,006	3.38%	26,286,196.41	4.27%
2024 Q3	894	3.00%	23,055,837.32	3.75%
2024 Q4	45	0.15%	1,066,519.96	0.17%
2025 Q1	58	0.19%	1,420,728.90	0.23%
2025 Q2	30	0.10%	771,732.16	0.13%
2025 Q3	31	0.10%	736,336.71	0.12%
Total	**29,796**	**100.00%**	**615,386,226.17**	**100.00%**

Historical performance data

The historical performance data set out hereafter relate to the portfolio of auto Receivables granted by the Seller to private, commercial and corporate borrowers, with and without a final balloon instalment, relating to used or new vehicles. Financing Contracts with employees have been excluded from the historical performance data.

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.

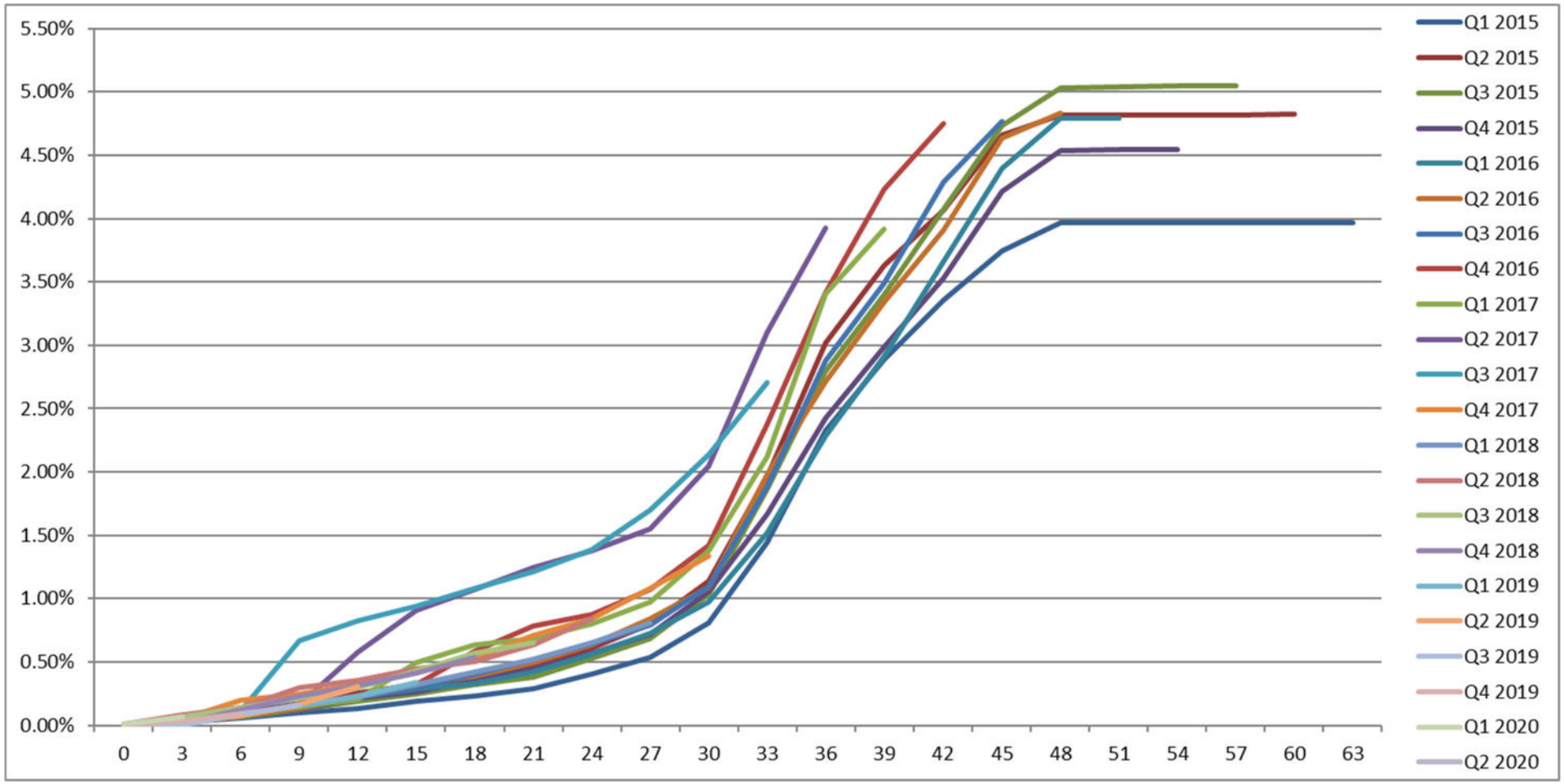
Gross default rates

For a generation of originated Receivables (being all Receivables originated during the same quarter), the cumulative gross default rate in respect of a month is calculated as the ratio of:

i. the cumulative defaulted amount recorded between the quarter when such Receivables were originated and the relevant month, to

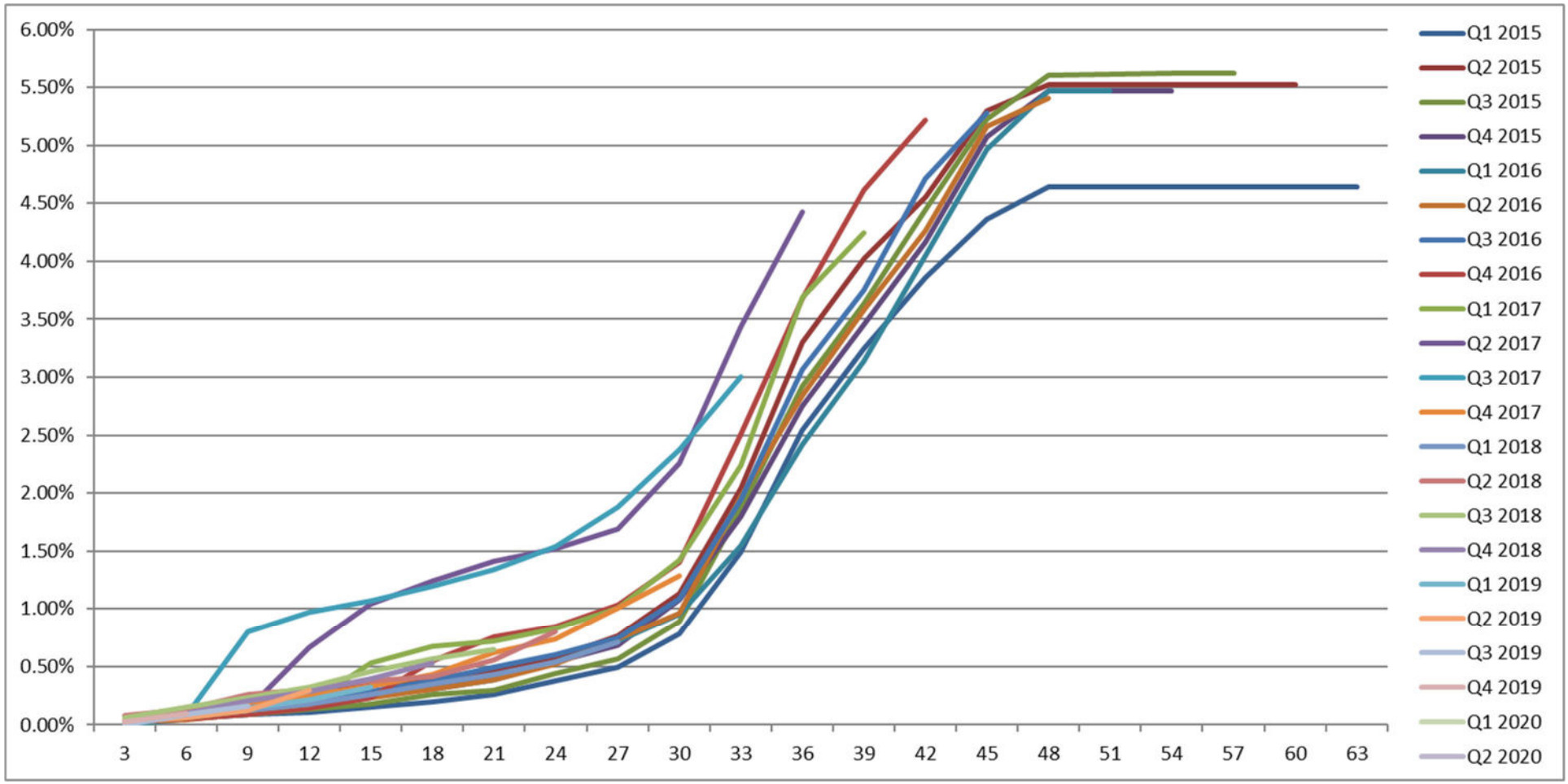
ii. the initial outstanding amount of such Receivables.

Cumulative Gross Losses – Total



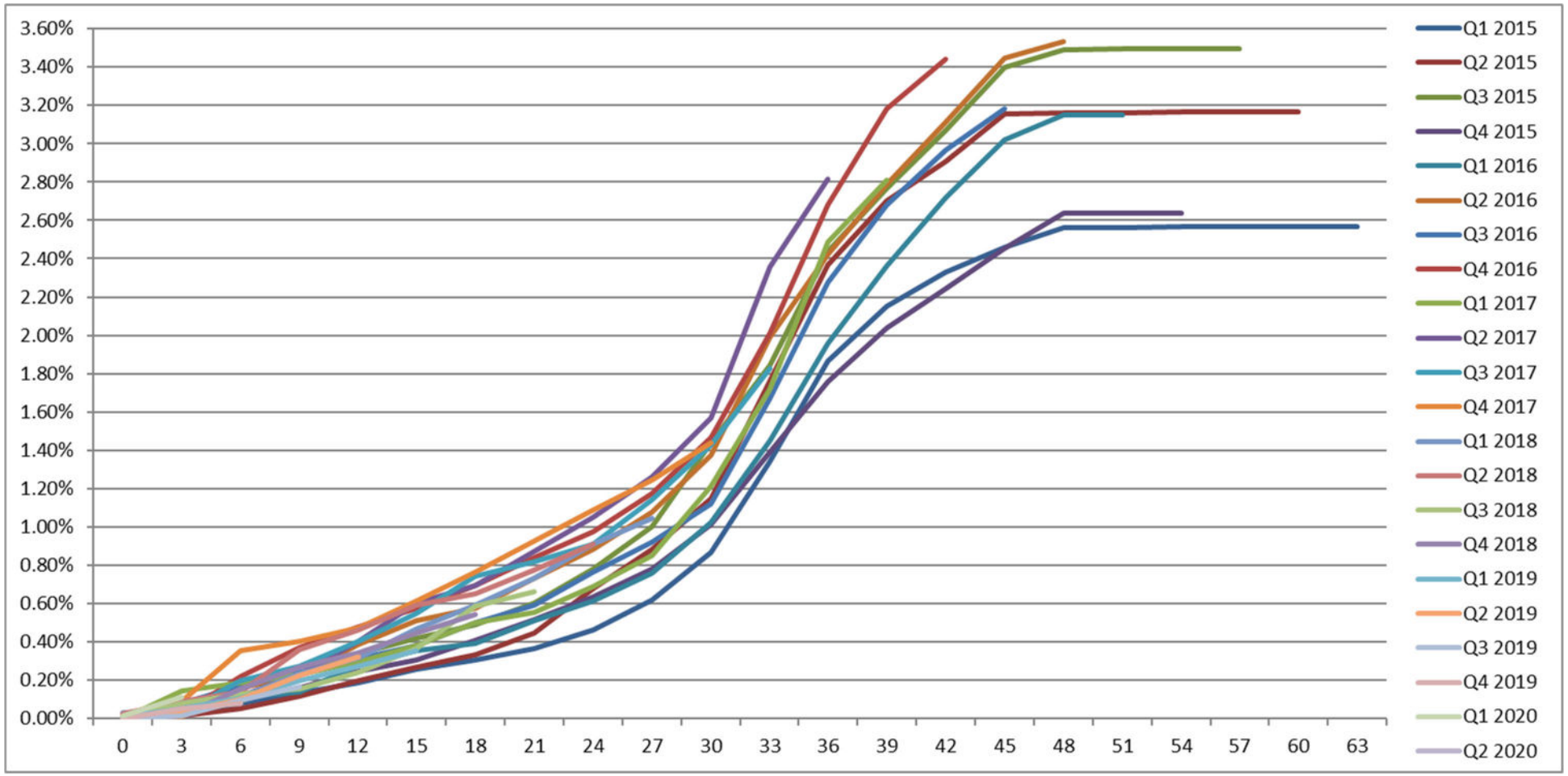
Origination Quarter	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63
											%											
Q1 2015	0.01%	0.02%	0.06%	0.10%	0.13%	0.19%	0.24%	0.29%	0.40%	0.54%	0.81%	1.44%	2.32%	2.89%	3.36%	3.75%	3.96%	3.96%	3.97%	3.97%	3.97%	3.97%
Q2 2015	0.00%	0.02%	0.08%	0.13%	0.25%	0.32%	0.37%	0.46%	0.61%	0.80%	1.14%	1.96%	3.02%	3.63%	4.06%	4.66%	4.82%	4.82%	4.82%	4.82%	4.82%	
Q3 2015	0.00%	0.03%	0.07%	0.13%	0.19%	0.24%	0.32%	0.38%	0.53%	0.69%	1.04%	1.87%	2.79%	3.40%	4.08%	4.74%	5.03%	5.04%	5.04%	5.05%		
Q4 2015	0.00%	0.02%	0.08%	0.13%	0.21%	0.27%	0.36%	0.45%	0.57%	0.72%	1.06%	1.67%	2.43%	2.99%	3.53%	4.21%	4.54%	4.54%	4.54%			
Q1 2016	0.00%	0.02%	0.07%	0.13%	0.22%	0.29%	0.33%	0.42%	0.56%	0.73%	0.97%	1.52%	2.29%	2.91%	3.66%	4.40%	4.79%	4.80%				
Q2 2016	0.00%	0.02%	0.08%	0.14%	0.23%	0.32%	0.39%	0.50%	0.63%	0.84%	1.09%	1.98%	2.71%	3.34%	3.91%	4.64%	4.83%					
Q3 2016	0.00%	0.03%	0.10%	0.18%	0.22%	0.31%	0.40%	0.52%	0.64%	0.79%	1.09%	1.88%	2.88%	3.49%	4.29%	4.77%						
Q4 2016	0.00%	0.03%	0.10%	0.16%	0.23%	0.32%	0.59%	0.78%	0.88%	1.07%	1.42%	2.38%	3.41%	4.23%	4.75%							
Q1 2017	0.01%	0.05%	0.09%	0.15%	0.21%	0.50%	0.63%	0.68%	0.80%	0.97%	1.37%	2.12%	3.41%	3.91%								
Q2 2017	0.00%	0.03%	0.09%	0.16%	0.58%	0.90%	1.07%	1.24%	1.37%	1.55%	2.04%	3.10%	3.92%									
Q3 2017	0.00%	0.03%	0.11%	0.67%	0.83%	0.94%	1.08%	1.21%	1.38%	1.69%	2.14%	2.71%										
Q4 2017	0.00%	0.05%	0.20%	0.25%	0.32%	0.42%	0.53%	0.71%	0.84%	1.08%	1.33%											
Q1 2018	0.01%	0.03%	0.08%	0.16%	0.22%	0.32%	0.42%	0.52%	0.65%	0.81%												
Q2 2018	0.01%	0.08%	0.14%	0.29%	0.36%	0.45%	0.50%	0.64%	0.84%													
Q3 2018	0.00%	0.07%	0.14%	0.21%	0.30%	0.43%	0.57%	0.65%														
Q4 2018	0.00%	0.01%	0.12%	0.23%	0.31%	0.41%	0.53%															
Q1 2019	0.00%	0.03%	0.08%	0.16%	0.23%	0.34%																
Q2 2019	0.00%	0.03%	0.07%	0.16%	0.31%																	
Q3 2019	0.00%	0.00%	0.09%	0.16%																		
Q4 2019	0.00%	0.03%	0.09%																			
Q1 2020	0.01%	0.06%																				
Q2 2020	0.00%																					

Cumulative Gross Losses – New Vehicles



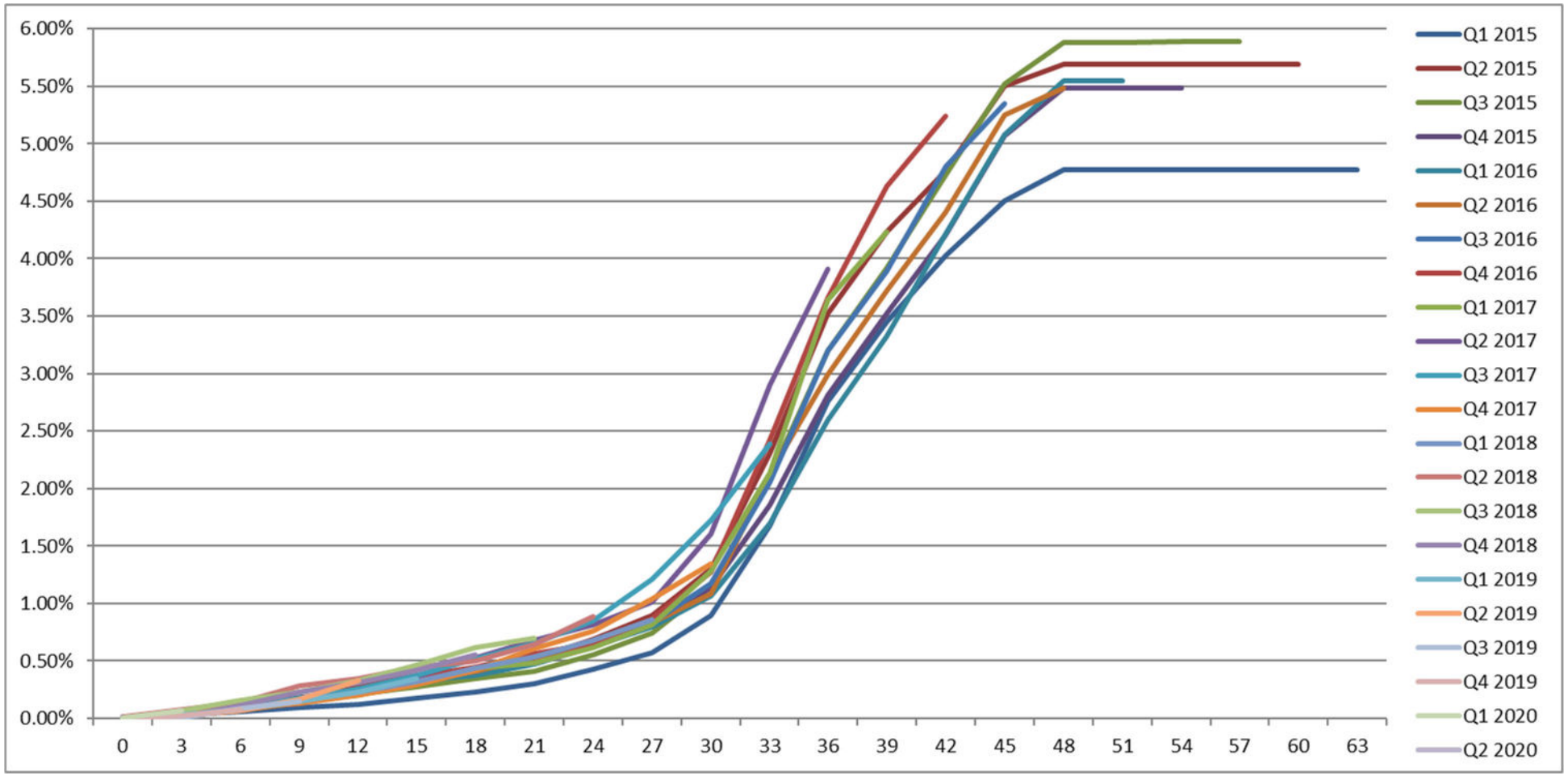
Origination Quarter	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63
											%											
Q1 2015	0.01%	0.03%	0.05%	0.09%	0.10%	0.15%	0.20%	0.26%	0.38%	0.50%	0.78%	1.49%	2.55%	3.25%	3.86%	4.37%	4.64%	4.64%	4.65%	4.65%	4.65%	4.65%
Q2 2015	0.00%	0.02%	0.09%	0.14%	0.28%	0.35%	0.39%	0.47%	0.58%	0.77%	1.13%	2.04%	3.30%	4.02%	4.56%	5.30%	5.52%	5.52%	5.52%	5.52%	5.53%	
Q3 2015	0.00%	0.02%	0.06%	0.09%	0.13%	0.18%	0.26%	0.29%	0.44%	0.57%	0.89%	1.87%	2.92%	3.63%	4.45%	5.23%	5.60%	5.61%	5.62%	5.62%		
Q4 2015	0.00%	0.00%	0.08%	0.11%	0.20%	0.25%	0.33%	0.41%	0.54%	0.69%	1.08%	1.80%	2.75%	3.45%	4.16%	5.07%	5.47%	5.47%	5.47%			
Q1 2016	0.00%	0.00%	0.05%	0.13%	0.20%	0.26%	0.30%	0.38%	0.54%	0.72%	0.95%	1.54%	2.42%	3.14%	4.05%	4.96%	5.47%	5.47%				
Q2 2016	0.00%	0.02%	0.04%	0.10%	0.17%	0.23%	0.31%	0.39%	0.52%	0.73%	0.96%	1.97%	2.84%	3.58%	4.27%	5.17%	5.41%					
Q3 2016	0.00%	0.02%	0.08%	0.15%	0.19%	0.28%	0.37%	0.49%	0.60%	0.75%	1.09%	1.94%	3.07%	3.75%	4.71%	5.28%						
Q4 2016	0.00%	0.03%	0.05%	0.09%	0.14%	0.23%	0.55%	0.76%	0.84%	1.03%	1.40%	2.51%	3.68%	4.61%	5.22%							
Q1 2017	0.01%	0.02%	0.06%	0.13%	0.18%	0.53%	0.67%	0.72%	0.83%	1.01%	1.42%	2.24%	3.69%	4.25%								
Q2 2017	0.00%	0.02%	0.07%	0.13%	0.66%	1.04%	1.24%	1.41%	1.52%	1.69%	2.26%	3.43%	4.43%									
Q3 2017	0.00%	0.02%	0.08%	0.80%	0.97%	1.07%	1.19%	1.34%	1.54%	1.88%	2.38%	3.00%										
Q4 2017	0.00%	0.04%	0.13%	0.18%	0.25%	0.34%	0.43%	0.62%	0.74%	1.00%	1.29%											
Q1 2018	0.00%	0.02%	0.07%	0.12%	0.18%	0.26%	0.35%	0.43%	0.54%	0.71%												
Q2 2018	0.01%	0.08%	0.14%	0.26%	0.30%	0.37%	0.42%	0.56%	0.80%													
Q3 2018	0.01%	0.06%	0.15%	0.24%	0.33%	0.46%	0.56%	0.64%														
Q4 2018	0.00%	0.01%	0.10%	0.21%	0.29%	0.40%	0.53%															
Q1 2019	0.00%	0.02%	0.07%	0.14%	0.22%	0.33%																
Q2 2019	0.00%	0.02%	0.06%	0.13%	0.30%																	
Q3 2019	0.00%	0.00%	0.09%	0.16%																		
Q4 2019	0.00%	0.02%	0.10%																			
Q1 2020	0.00%	0.03%																				
Q2 2020	0.00%																					

Cumulative Gross Losses – Used Vehicles



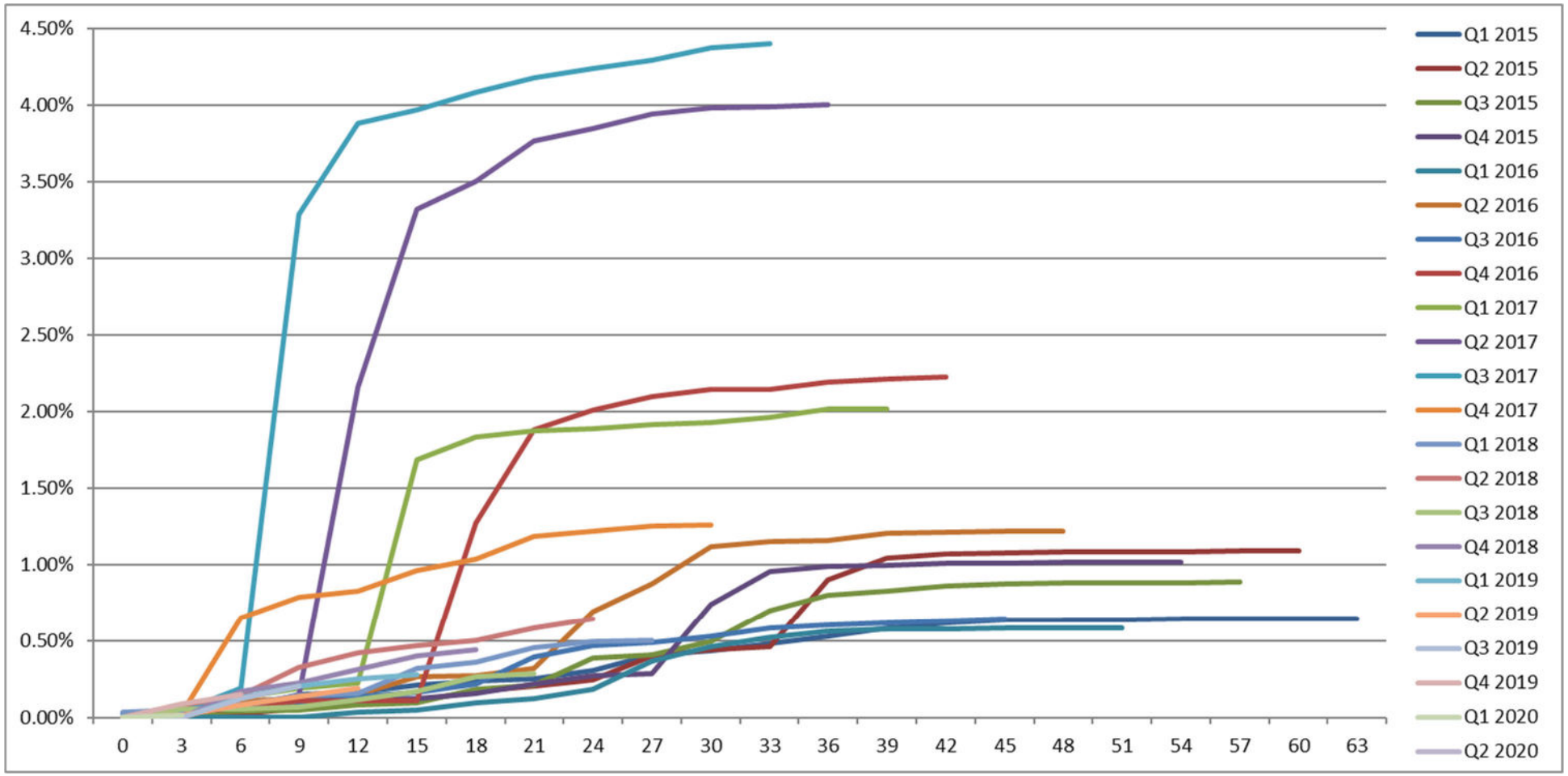
Origination Quarter	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63
											%											
Q1 2015	0.02%	0.02%	0.08%	0.13%	0.19%	0.26%	0.31%	0.36%	0.46%	0.62%	0.87%	1.34%	1.86%	2.15%	2.33%	2.46%	2.56%	2.56%	2.57%	2.57%	2.57%	2.57%
Q2 2015	0.00%	0.01%	0.05%	0.12%	0.20%	0.27%	0.33%	0.45%	0.68%	0.88%	1.15%	1.76%	2.37%	2.70%	2.91%	3.16%	3.16%	3.16%	3.17%	3.17%	3.17%	
Q3 2015	0.00%	0.08%	0.09%	0.24%	0.34%	0.42%	0.49%	0.60%	0.78%	1.00%	1.44%	1.84%	2.44%	2.77%	3.07%	3.40%	3.49%	3.49%	3.49%	3.50%		
Q4 2015	0.00%	0.06%	0.10%	0.16%	0.24%	0.30%	0.41%	0.52%	0.64%	0.78%	1.01%	1.39%	1.76%	2.04%	2.24%	2.45%	2.64%	2.64%	2.64%			
Q1 2016	0.00%	0.06%	0.11%	0.14%	0.28%	0.36%	0.39%	0.51%	0.61%	0.76%	1.02%	1.45%	1.96%	2.36%	2.72%	3.02%	3.15%	3.15%				
Q2 2016	0.00%	0.01%	0.16%	0.22%	0.39%	0.51%	0.57%	0.73%	0.89%	1.08%	1.37%	1.99%	2.42%	2.79%	3.11%	3.45%	3.53%					
Q3 2016	0.01%	0.08%	0.17%	0.24%	0.31%	0.38%	0.50%	0.59%	0.77%	0.92%	1.12%	1.67%	2.28%	2.68%	2.97%	3.18%						
Q4 2016	0.00%	0.02%	0.22%	0.37%	0.48%	0.58%	0.69%	0.84%	0.97%	1.17%	1.47%	2.01%	2.68%	3.18%	3.44%							
Q1 2017	0.00%	0.14%	0.19%	0.23%	0.30%	0.38%	0.50%	0.55%	0.69%	0.85%	1.21%	1.72%	2.49%	2.81%								
Q2 2017	0.00%	0.04%	0.12%	0.23%	0.40%	0.60%	0.70%	0.87%	1.05%	1.26%	1.57%	2.36%	2.82%									
Q3 2017	0.00%	0.03%	0.20%	0.27%	0.40%	0.55%	0.74%	0.82%	0.91%	1.14%	1.43%	1.83%										
Q4 2017	0.01%	0.09%	0.35%	0.40%	0.47%	0.61%	0.77%	0.93%	1.09%	1.24%	1.44%											
Q1 2018	0.03%	0.05%	0.11%	0.24%	0.32%	0.47%	0.59%	0.73%	0.91%	1.04%												
Q2 2018	0.02%	0.09%	0.14%	0.36%	0.46%	0.59%	0.65%	0.78%	0.91%													
Q3 2018	0.00%	0.08%	0.13%	0.15%	0.24%	0.36%	0.58%	0.66%														
Q4 2018	0.00%	0.01%	0.15%	0.27%	0.34%	0.44%	0.54%															
Q1 2019	0.01%	0.05%	0.11%	0.20%	0.27%	0.36%																
Q2 2019	0.00%	0.03%	0.10%	0.23%	0.32%																	
Q3 2019	0.00%	0.01%	0.09%	0.16%																		
Q4 2019	0.00%	0.05%	0.08%																			
Q1 2020	0.01%	0.11%																				
Q2 2020	0.00%																					

Cumulative Gross Losses – PCP Vehicles



Origination Quarter	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63
											%											
Q1 2015	0.01%	0.03%	0.06%	0.09%	0.12%	0.18%	0.23%	0.30%	0.43%	0.57%	0.90%	1.68%	2.76%	3.45%	4.03%	4.50%	4.77%	4.77%	4.78%	4.78%	4.78%	4.78%
Q2 2015	0.00%	0.02%	0.09%	0.15%	0.29%	0.37%	0.42%	0.52%	0.69%	0.90%	1.30%	2.31%	3.52%	4.23%	4.76%	5.50%	5.69%	5.69%	5.69%	5.69%	5.70%	
Q3 2015	0.00%	0.03%	0.07%	0.14%	0.21%	0.27%	0.35%	0.41%	0.56%	0.74%	1.14%	2.10%	3.20%	3.92%	4.73%	5.52%	5.88%	5.88%	5.89%	5.89%		
Q4 2015	0.00%	0.02%	0.08%	0.13%	0.23%	0.31%	0.41%	0.51%	0.65%	0.83%	1.14%	1.86%	2.81%	3.52%	4.21%	5.07%	5.49%	5.49%	5.49%			
Q1 2016	0.00%	0.02%	0.08%	0.16%	0.25%	0.33%	0.37%	0.47%	0.63%	0.79%	1.07%	1.70%	2.60%	3.33%	4.21%	5.08%	5.54%	5.55%				
Q2 2016	0.00%	0.02%	0.07%	0.14%	0.25%	0.33%	0.41%	0.53%	0.62%	0.83%	1.09%	2.13%	2.99%	3.72%	4.40%	5.25%	5.48%					
Q3 2016	0.00%	0.03%	0.11%	0.19%	0.23%	0.33%	0.43%	0.53%	0.67%	0.83%	1.18%	2.06%	3.20%	3.89%	4.80%	5.35%						
Q4 2016	0.00%	0.02%	0.10%	0.17%	0.25%	0.37%	0.45%	0.56%	0.65%	0.87%	1.28%	2.42%	3.66%	4.63%	5.24%							
Q1 2017	0.01%	0.05%	0.08%	0.14%	0.20%	0.30%	0.43%	0.48%	0.62%	0.82%	1.28%	2.14%	3.64%	4.23%								
Q2 2017	0.00%	0.03%	0.09%	0.17%	0.23%	0.36%	0.52%	0.68%	0.82%	1.02%	1.61%	2.90%	3.91%									
Q3 2017	0.00%	0.02%	0.10%	0.17%	0.25%	0.37%	0.52%	0.65%	0.85%	1.21%	1.72%	2.39%										
Q4 2017	0.00%	0.06%	0.10%	0.13%	0.21%	0.30%	0.42%	0.60%	0.76%	1.04%	1.35%											
Q1 2018	0.00%	0.02%	0.09%	0.16%	0.23%	0.32%	0.43%	0.53%	0.68%	0.86%												
Q2 2018	0.01%	0.08%	0.14%	0.29%	0.34%	0.45%	0.50%	0.65%	0.88%													
Q3 2018	0.00%	0.07%	0.16%	0.23%	0.33%	0.47%	0.61%	0.70%														
Q4 2018	0.00%	0.02%	0.11%	0.23%	0.31%	0.42%	0.55%															
Q1 2019	0.00%	0.04%	0.07%	0.15%	0.23%	0.35%																
Q2 2019	0.00%	0.03%	0.07%	0.17%	0.33%																	
Q3 2019	0.00%	0.00%	0.08%	0.15%																		
Q4 2019	0.00%	0.02%	0.08%																			
Q1 2020	0.01%	0.07%																				
Q2 2020	0.00%																					

Cumulative Gross Losses – HP Vehicles



Origination Quarter	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63
											%											
Q1 2015	0.00%	0.00%	0.06%	0.15%	0.16%	0.21%	0.24%	0.25%	0.31%	0.41%	0.43%	0.48%	0.53%	0.58%	0.62%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%
Q2 2015	0.00%	0.00%	0.02%	0.06%	0.10%	0.11%	0.17%	0.21%	0.25%	0.40%	0.44%	0.46%	0.90%	1.04%	1.07%	1.08%	1.08%	1.08%	1.09%	1.09%	1.09%	
Q3 2015	0.00%	0.03%	0.04%	0.05%	0.08%	0.10%	0.18%	0.21%	0.39%	0.41%	0.50%	0.70%	0.80%	0.83%	0.86%	0.88%	0.88%	0.88%	0.88%	0.89%		
Q4 2015	0.00%	0.03%	0.09%	0.09%	0.13%	0.13%	0.16%	0.22%	0.27%	0.29%	0.74%	0.96%	0.99%	1.00%	1.01%	1.01%	1.02%	1.02%	1.02%			
Q1 2016	0.00%	0.00%	0.00%	0.00%	0.03%	0.05%	0.10%	0.12%	0.19%	0.37%	0.46%	0.52%	0.56%	0.58%	0.58%	0.59%	0.59%	0.59%				
Q2 2016	0.00%	0.00%	0.11%	0.12%	0.15%	0.27%	0.27%	0.32%	0.69%	0.87%	1.12%	1.15%	1.16%	1.20%	1.21%	1.22%	1.22%					
Q3 2016	0.03%	0.03%	0.08%	0.10%	0.14%	0.16%	0.22%	0.40%	0.47%	0.49%	0.53%	0.58%	0.61%	0.61%	0.63%	0.64%						
Q4 2016	0.00%	0.04%	0.06%	0.11%	0.11%	0.11%	1.27%	1.88%	2.01%	2.10%	2.14%	2.14%	2.19%	2.21%	2.23%							
Q1 2017	0.00%	0.07%	0.13%	0.19%	0.22%	1.68%	1.83%	1.87%	1.89%	1.91%	1.93%	1.97%	2.01%	2.02%								
Q2 2017	0.00%	0.03%	0.08%	0.14%	2.16%	3.32%	3.50%	3.76%	3.85%	3.94%	3.99%	3.99%	4.00%									
Q3 2017	0.00%	0.04%	0.19%	3.29%	3.88%	3.97%	4.09%	4.18%	4.24%	4.30%	4.37%	4.40%										
Q4 2017	0.00%	0.03%	0.65%	0.79%	0.83%	0.96%	1.04%	1.19%	1.22%	1.25%	1.26%											
Q1 2018	0.04%	0.05%	0.08%	0.14%	0.16%	0.32%	0.36%	0.45%	0.49%	0.50%												
Q2 2018	0.00%	0.08%	0.14%	0.32%	0.42%	0.47%	0.50%	0.59%	0.65%													
Q3 2018	0.00%	0.05%	0.05%	0.07%	0.12%	0.17%	0.27%	0.29%														
Q4 2018	0.00%	0.00%	0.17%	0.22%	0.31%	0.40%	0.44%															
Q1 2019	0.00%	0.00%	0.13%	0.20%	0.25%	0.28%																
Q2 2019	0.00%	0.02%	0.08%	0.14%	0.19%																	
Q3 2019	0.00%	0.00%	0.12%	0.21%																		
Q4 2019	0.00%	0.09%	0.15%																			
Q1 2020	0.00%	0.02%																				
Q2 2020	0.00%																					

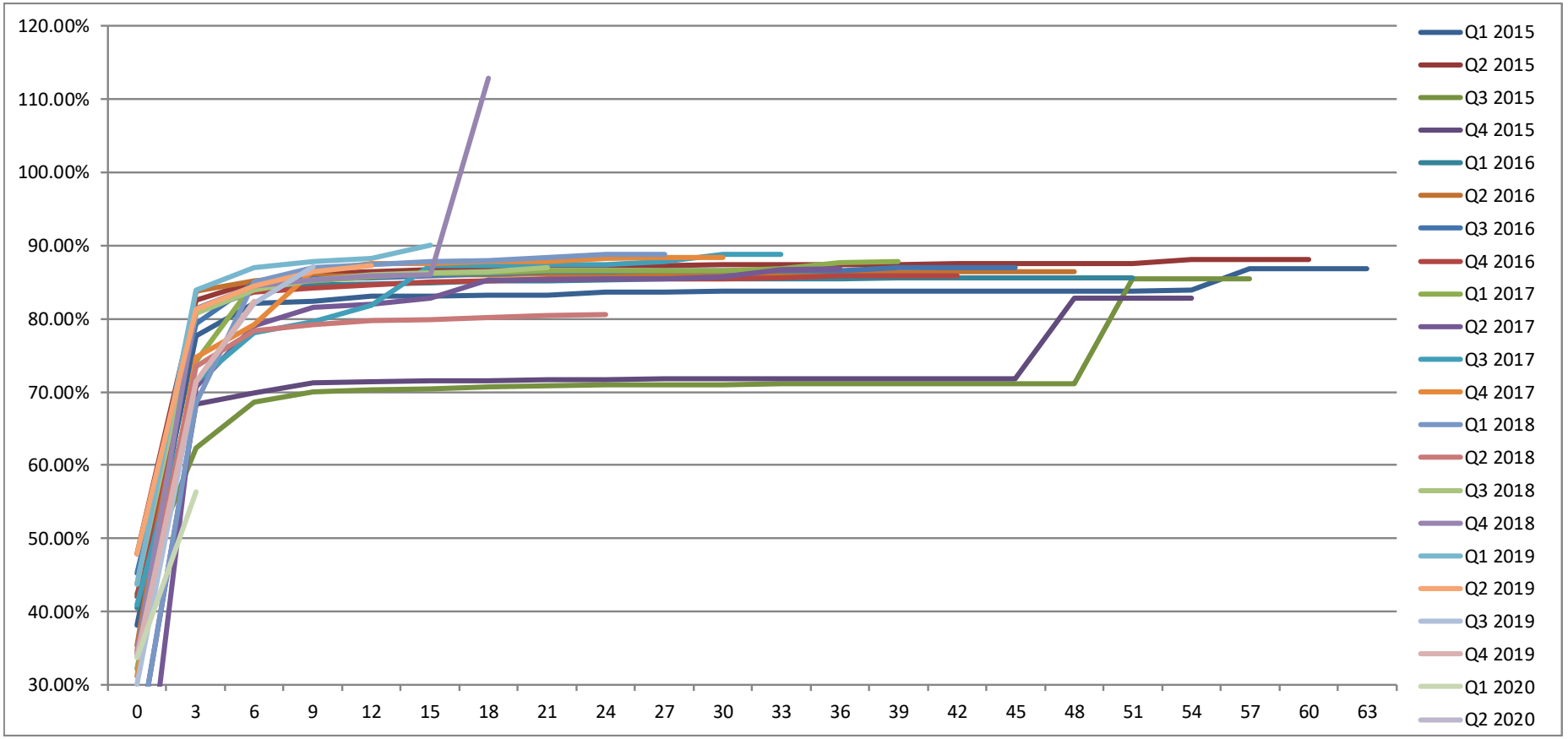
Recovery rates

For a generation of defaulted Receivables (being all loans defaulted during the same quarter), the cumulative recovery rate in respect of a month is calculated as the ratio of:

i. the cumulative recovered amounts recorded between the quarter when such Receivables were defaulted and the relevant month, to

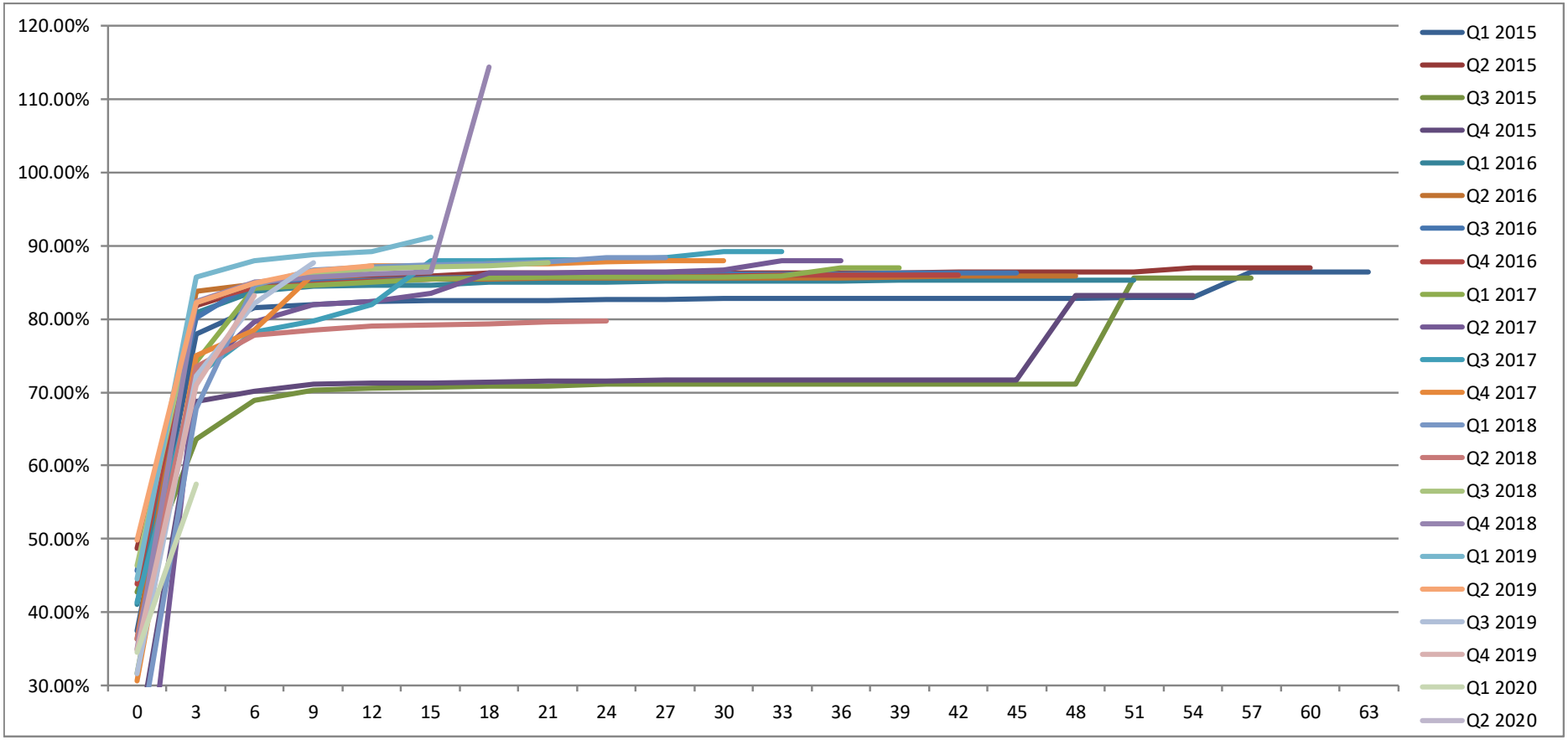
ii. the gross defaulted amount of such Receivables.

Cumulative recovery rate – Total Vehicles



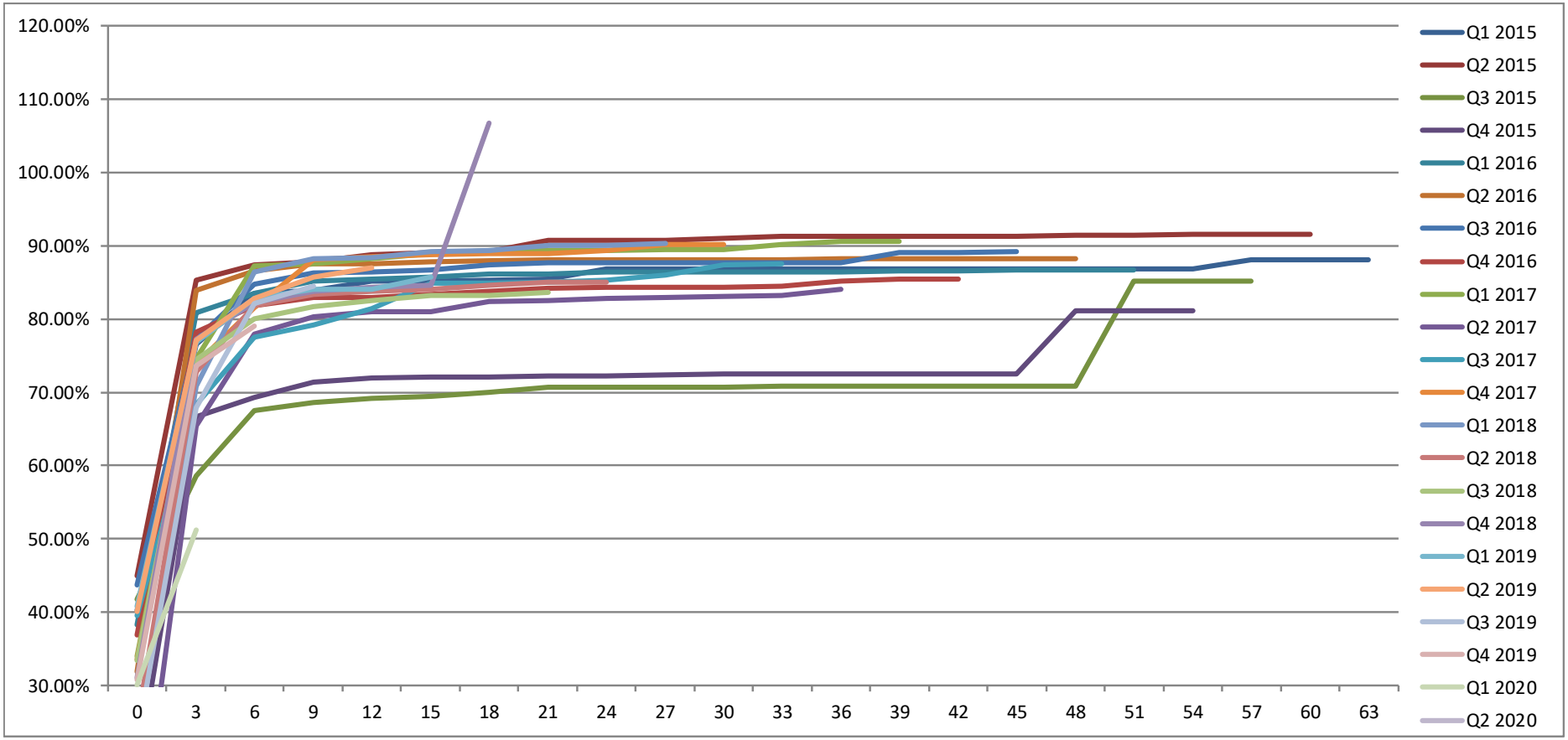
Origination Quarter	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63
											%											
Q1 2015	38.10%	77.59%	82.05%	82.40%	83.07%	83.13%	83.18%	83.26%	83.58%	83.60%	83.74%	83.74%	83.74%	83.78%	83.78%	83.78%	83.78%	83.81%	83.86%	86.81%	86.81%	86.81%
Q2 2015	47.92%	82.58%	84.99%	86.21%	86.48%	86.65%	86.97%	87.31%	87.31%	87.31%	87.36%	87.43%	87.45%	87.45%	87.55%	87.55%	87.58%	87.58%	88.06%	88.06%	88.06%	
Q3 2015	42.48%	62.42%	68.57%	69.95%	70.23%	70.39%	70.64%	70.82%	70.99%	70.99%	71.02%	71.06%	71.06%	71.06%	71.06%	71.06%	71.06%	85.47%	85.47%	85.47%		
Q4 2015	20.96%	68.32%	69.93%	71.24%	71.36%	71.48%	71.51%	71.66%	71.71%	71.77%	71.79%	71.79%	71.79%	71.79%	71.79%	71.79%	82.73%	82.73%	82.74%			
Q1 2016	40.48%	80.89%	83.71%	84.63%	84.76%	84.91%	85.23%	85.23%	85.36%	85.45%	85.48%	85.48%	85.50%	85.56%	85.56%	85.62%	85.62%	85.62%				
Q2 2016	35.37%	83.83%	85.12%	85.86%	85.87%	86.02%	86.04%	86.09%	86.15%	86.16%	86.16%	86.18%	86.21%	86.24%	86.38%	86.39%	86.39%					
Q3 2016	45.20%	79.39%	84.92%	85.41%	85.64%	85.86%	86.14%	86.36%	86.48%	86.49%	86.49%	86.53%	86.53%	87.00%	87.00%	87.02%						
Q4 2016	42.08%	81.26%	83.69%	84.26%	84.61%	84.97%	85.17%	85.39%	85.41%	85.41%	85.44%	85.58%	85.80%	85.86%	85.86%							
Q1 2017	32.17%	74.23%	84.90%	85.22%	85.71%	86.15%	86.34%	86.51%	86.51%	86.57%	86.57%	86.82%	87.73%	87.75%								
Q2 2017	4.14%	70.65%	79.09%	81.49%	82.01%	82.86%	85.25%	85.30%	85.43%	85.45%	85.67%	86.68%	86.89%									
Q3 2017	40.92%	71.36%	78.09%	79.56%	81.83%	87.23%	87.23%	87.35%	87.43%	87.84%	88.78%	88.79%										
Q4 2017	31.24%	74.79%	79.22%	86.53%	87.54%	87.60%	87.82%	87.84%	88.16%	88.42%	88.42%											
Q1 2018	20.91%	68.43%	85.02%	87.01%	87.37%	87.81%	87.95%	88.39%	88.75%	88.80%												
Q2 2018	34.68%	73.41%	78.36%	79.21%	79.73%	79.90%	80.14%	80.45%	80.51%													
Q3 2018	43.81%	80.71%	83.92%	85.28%	85.97%	86.34%	86.42%	86.91%														
Q4 2018	34.19%	81.38%	84.46%	85.34%	85.80%	86.06%	112.82%															
Q1 2019	43.74%	83.91%	86.95%	87.78%	88.21%	89.99%																
Q2 2019	47.86%	81.25%	84.46%	86.36%	87.19%																	
Q3 2019	30.05%	71.45%	82.07%	87.09%																		
Q4 2019	34.00%	71.45%	82.44%																			
Q1 2020	33.70%	56.39%																				
Q2 2020	5.60%																					

Cumulative recovery rate – New Vehicles



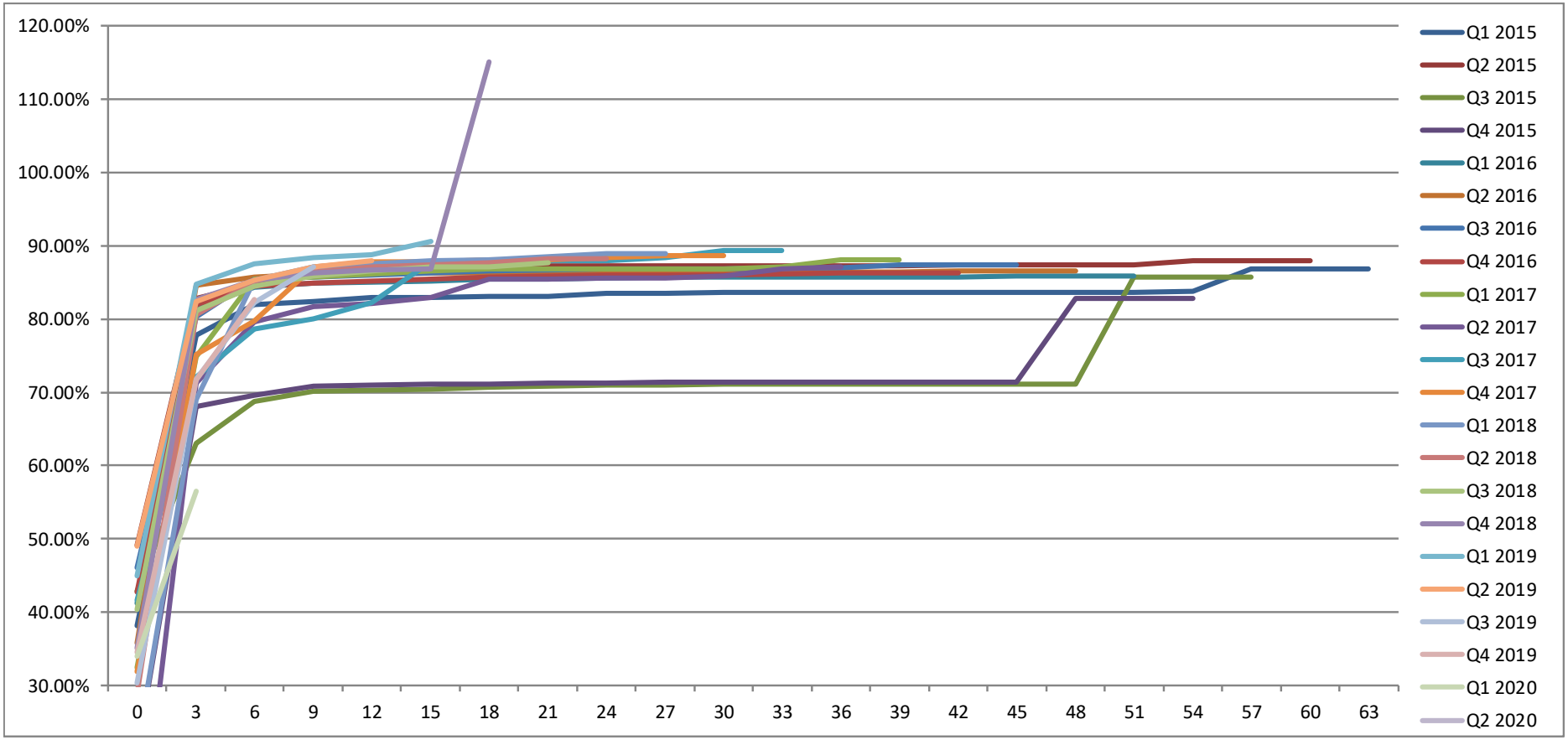
Origination Quarter	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63
											%											
Q1 2015	37.44%	77.91%	81.58%	81.92%	82.43%	82.51%	82.54%	82.59%	82.60%	82.62%	82.81%	82.81%	82.81%	82.86%	82.86%	82.86%	82.86%	82.89%	82.95%	86.42%	86.42%	86.42%
Q2 2015	48.78%	81.78%	84.27%	85.75%	85.80%	85.91%	86.31%	86.31%	86.31%	86.31%	86.31%	86.31%	86.33%	86.33%	86.45%	86.45%	86.45%	86.45%	87.03%	87.03%	87.03%	
Q3 2015	42.70%	63.59%	68.89%	70.35%	70.55%	70.68%	70.84%	70.88%	71.08%	71.08%	71.12%	71.14%	71.14%	71.14%	71.14%	71.15%	71.15%	85.56%	85.56%	85.56%		
Q4 2015	21.78%	68.79%	70.09%	71.18%	71.19%	71.32%	71.36%	71.48%	71.54%	71.60%	71.60%	71.60%	71.60%	71.60%	71.60%	71.60%	83.19%	83.19%	83.19%			
Q1 2016	41.13%	80.88%	83.79%	84.49%	84.56%	84.66%	84.96%	84.96%	85.05%	85.15%	85.19%	85.19%	85.22%	85.28%	85.28%	85.32%	85.32%	85.32%				
Q2 2016	36.37%	83.80%	84.70%	85.37%	85.37%	85.49%	85.50%	85.52%	85.60%	85.60%	85.60%	85.61%	85.65%	85.68%	85.83%	85.84%	85.84%					
Q3 2016	45.72%	80.12%	84.98%	85.09%	85.36%	85.59%	85.72%	85.92%	86.07%	86.10%	86.10%	86.12%	86.12%	86.28%	86.28%	86.28%						
Q4 2016	43.80%	82.30%	84.32%	84.70%	85.15%	85.49%	85.65%	85.77%	85.79%	85.79%	85.82%	85.94%	86.03%	86.03%	86.03%							
Q1 2017	31.65%	74.12%	84.26%	84.58%	85.02%	85.39%	85.53%	85.72%	85.72%	85.76%	85.76%	85.91%	86.95%	86.95%								
Q2 2017	3.67%	72.55%	79.54%	81.94%	82.41%	83.56%	86.33%	86.33%	86.38%	86.38%	86.63%	87.93%	87.93%									
Q3 2017	41.32%	72.27%	78.28%	79.69%	81.98%	87.93%	87.94%	88.06%	88.06%	88.40%	89.18%	89.18%										
Q4 2017	30.57%	75.05%	78.53%	86.08%	87.27%	87.27%	87.49%	87.51%	87.83%	87.93%	87.93%											
Q1 2018	20.43%	67.72%	84.61%	86.63%	87.06%	87.39%	87.51%	87.87%	88.34%	88.34%												
Q2 2018	36.39%	73.53%	77.77%	78.49%	79.03%	79.18%	79.37%	79.67%	79.74%													
Q3 2018	46.36%	82.25%	84.87%	86.14%	86.82%	87.10%	87.20%	87.72%														
Q4 2018	35.01%	82.43%	85.04%	85.76%	86.19%	86.42%	114.39%															
Q1 2019	44.50%	85.74%	88.01%	88.75%	89.26%	91.08%																
Q2 2019	49.76%	82.26%	84.85%	86.51%	87.23%																	
Q3 2019	31.65%	72.21%	82.06%	87.66%																		
Q4 2019	34.74%	70.95%	83.21%																			
Q1 2020	34.49%	57.52%																				
Q2 2020	6.14%																					

Cumulative recovery rate - Used Vehicles



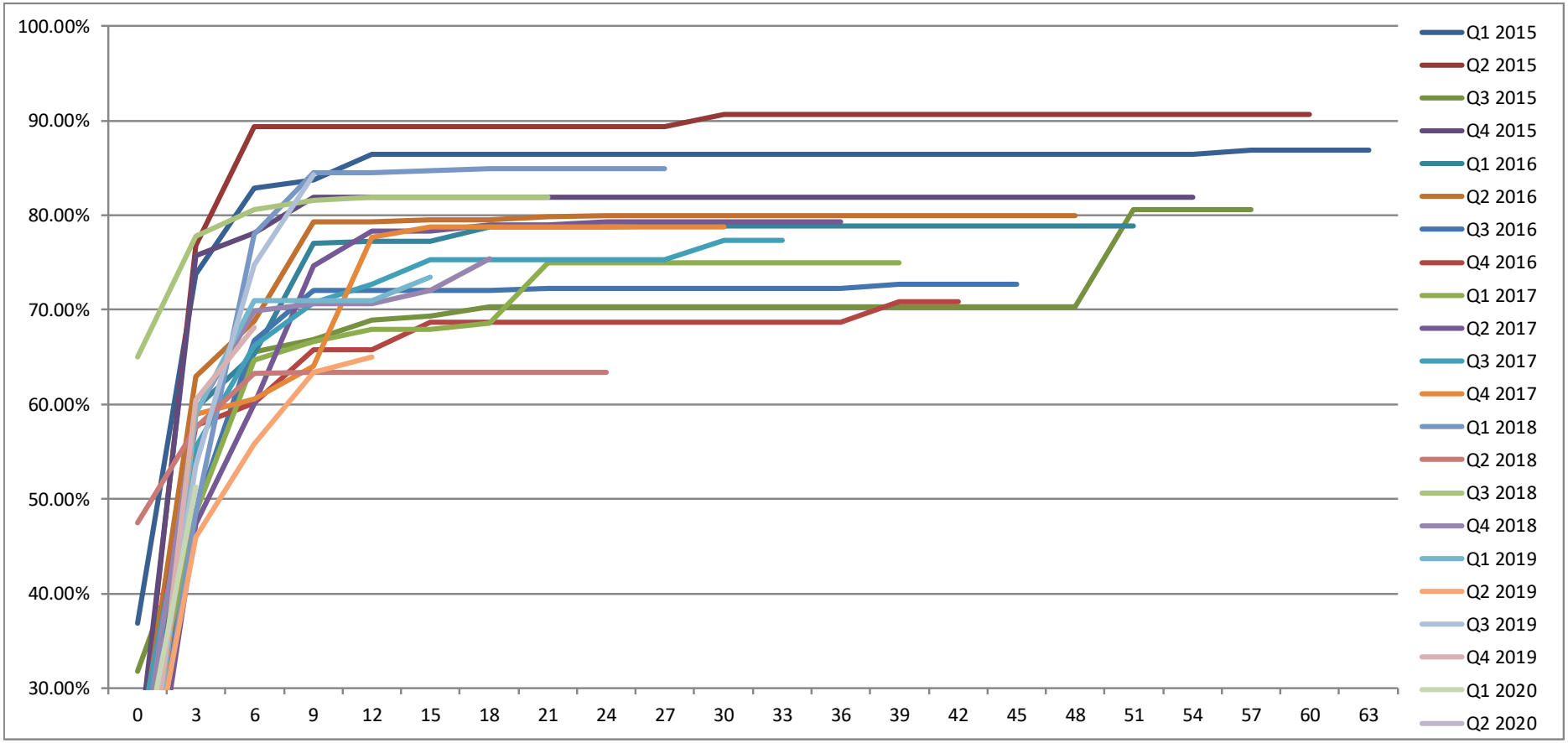
Origination Quarter	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63
											%											
Q1 2015	40.24%	76.53%	83.56%	83.97%	85.15%	85.15%	85.25%	85.44%	86.78%	86.78%	86.78%	86.78%	86.78%	86.78%	86.78%	86.78%	86.78%	86.80%	86.82%	88.10%	88.10%	88.10%
Q2 2015	45.01%	85.27%	87.43%	87.75%	88.78%	89.12%	89.19%	90.70%	90.70%	90.70%	90.94%	91.25%	91.25%	91.25%	91.25%	91.25%	91.39%	91.39%	91.56%	91.56%	91.56%	
Q3 2015	41.74%	58.61%	67.51%	68.67%	69.18%	69.47%	70.02%	70.64%	70.69%	70.69%	70.69%	70.78%	70.78%	70.78%	70.78%	70.78%	70.78%	85.18%	85.18%	85.18%		
Q4 2015	17.97%	66.61%	69.35%	71.46%	72.00%	72.05%	72.05%	72.29%	72.29%	72.35%	72.47%	72.47%	72.47%	72.47%	72.47%	72.47%	81.10%	81.10%	81.15%			
Q1 2016	38.29%	80.89%	83.46%	85.14%	85.43%	85.73%	86.14%	86.14%	86.38%	86.47%	86.47%	86.47%	86.47%	86.50%	86.50%	86.65%	86.65%	86.65%				
Q2 2016	31.91%	83.91%	86.58%	87.58%	87.60%	87.84%	87.91%	88.05%	88.06%	88.12%	88.13%	88.13%	88.16%	88.16%	88.27%	88.27%	88.27%					
Q3 2016	43.68%	77.24%	84.73%	86.32%	86.46%	86.66%	87.37%	87.65%	87.65%	87.65%	87.65%	87.71%	87.71%	89.10%	89.10%	89.16%						
Q4 2016	36.94%	78.17%	81.81%	82.94%	82.98%	83.41%	83.75%	84.24%	84.28%	84.28%	84.29%	84.50%	85.11%	85.38%	85.38%							
Q1 2017	34.02%	74.62%	87.23%	87.54%	88.21%	88.88%	89.29%	89.35%	89.35%	89.51%	89.51%	90.12%	90.58%	90.63%								
Q2 2017	5.42%	65.45%	77.87%	80.26%	80.93%	80.95%	82.32%	82.50%	82.85%	82.91%	83.05%	83.27%	84.04%									
Q3 2017	39.59%	68.34%	77.47%	79.16%	81.36%	84.89%	84.89%	85.02%	85.30%	85.97%	87.44%	87.47%										
Q4 2017	33.55%	73.87%	81.57%	88.09%	88.46%	88.74%	88.95%	88.95%	89.32%	90.12%	90.12%											
Q1 2018	22.52%	70.80%	86.37%	88.23%	88.40%	89.17%	89.38%	90.09%	90.10%	90.28%												
Q2 2018	24.81%	72.74%	81.82%	83.37%	83.73%	84.11%	84.60%	84.97%	84.97%													
Q3 2018	33.36%	74.41%	80.02%	81.74%	82.47%	83.19%	83.23%	83.57%														
Q4 2018	31.03%	77.29%	82.23%	83.72%	84.29%	84.63%	106.72%															
Q1 2019	40.78%	76.77%	82.83%	84.03%	84.09%	85.72%																
Q2 2019	40.07%	77.15%	82.83%	85.76%	87.00%																	
Q3 2019	22.56%	67.87%	82.12%	84.42%																		
Q4 2019	30.82%	73.59%	79.10%																			
Q1 2020	30.08%	51.25%																				
Q2 2020	3.22%																					

Cumulative recovery rate - PCP Vehicles



Origination Quarter	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63
											%											
Q1 2015	38.15%	77.76%	82.01%	82.34%	82.92%	82.98%	83.03%	83.12%	83.45%	83.47%	83.62%	83.62%	83.62%	83.66%	83.66%	83.66%	83.66%	83.69%	83.74%	86.81%	86.81%	86.81%
Q2 2015	49.13%	82.84%	84.79%	86.06%	86.35%	86.52%	86.86%	87.22%	87.22%	87.22%	87.22%	87.29%	87.30%	87.30%	87.41%	87.41%	87.44%	87.44%	87.95%	87.95%	87.95%	
Q3 2015	42.93%	63.01%	68.70%	70.09%	70.28%	70.44%	70.66%	70.85%	71.02%	71.02%	71.05%	71.09%	71.09%	71.09%	71.09%	71.10%	71.10%	85.68%	85.68%	85.68%		
Q4 2015	20.90%	68.04%	69.61%	70.84%	70.97%	71.08%	71.12%	71.27%	71.32%	71.38%	71.41%	71.41%	71.41%	71.41%	71.41%	71.41%	82.77%	82.77%	82.78%			
Q1 2016	41.23%	81.56%	84.29%	84.87%	85.00%	85.15%	85.44%	85.44%	85.56%	85.66%	85.69%	85.69%	85.71%	85.77%	85.77%	85.84%	85.84%	85.84%				
Q2 2016	35.84%	84.55%	85.69%	86.09%	86.10%	86.25%	86.27%	86.30%	86.36%	86.38%	86.38%	86.39%	86.43%	86.46%	86.60%	86.61%	86.61%					
Q3 2016	46.09%	80.23%	85.42%	85.77%	86.02%	86.24%	86.53%	86.75%	86.87%	86.89%	86.89%	86.92%	86.92%	87.40%	87.40%	87.42%						
Q4 2016	42.71%	82.00%	84.43%	84.84%	85.20%	85.48%	85.69%	85.91%	85.94%	85.94%	85.97%	86.11%	86.34%	86.34%	86.34%							
Q1 2017	32.46%	74.86%	85.39%	85.67%	86.15%	86.59%	86.77%	86.79%	86.79%	86.85%	86.86%	87.11%	88.04%	88.06%								
Q2 2017	4.06%	71.32%	79.65%	81.69%	82.12%	82.99%	85.43%	85.48%	85.61%	85.63%	85.86%	86.89%	87.11%									
Q3 2017	41.68%	72.08%	78.63%	79.96%	82.25%	87.77%	87.77%	87.90%	87.97%	88.41%	89.29%	89.30%										
Q4 2017	31.87%	75.19%	79.70%	87.11%	87.79%	87.83%	88.06%	88.07%	88.40%	88.67%	88.67%											
Q1 2018	21.26%	69.08%	85.25%	87.09%	87.47%	87.91%	88.05%	88.50%	88.88%	88.92%												
Q2 2018	28.88%	80.62%	85.21%	86.40%	87.11%	87.37%	87.71%	88.16%	88.25%													
Q3 2018	40.37%	81.19%	84.45%	85.88%	86.63%	87.05%	87.15%	87.72%														
Q4 2018	35.08%	82.72%	85.34%	86.23%	86.71%	86.90%	115.07%															
Q1 2019	44.94%	84.74%	87.49%	88.35%	88.79%	90.54%																
Q2 2019	48.97%	82.39%	85.37%	87.10%	87.90%																	
Q3 2019	30.36%	71.83%	82.23%	87.15%																		
Q4 2019	34.51%	71.67%	82.72%																			
Q1 2020	33.98%	56.50%																				
Q2 2020	5.70%																					

Cumulative recovery rate - HP Vehicles



Origination Quarter	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63
											%											
Q1 2015	36.91%	73.74%	82.84%	83.74%	86.48%	86.48%	86.48%	86.48%	86.48%	86.48%	86.48%	86.48%	86.48%	86.48%	86.48%	86.48%	86.48%	86.48%	86.48%	86.84%	86.84%	86.84%
Q2 2015	21.23%	76.79%	89.37%	89.37%	89.37%	89.37%	89.37%	89.37%	89.37%	89.37%	90.66%	90.66%	90.66%	90.66%	90.66%	90.66%	90.66%	90.66%	90.66%	90.66%	90.66%	
Q3 2015	31.80%	48.66%	65.53%	66.80%	68.96%	69.35%	70.27%	70.27%	70.27%	70.27%	70.27%	70.27%	70.27%	70.27%	70.27%	70.27%	70.27%	80.54%	80.54%	80.54%		
Q4 2015	22.47%	75.73%	78.15%	81.87%	81.87%	81.87%	81.87%	81.91%	81.91%	81.91%	81.91%	81.91%	81.91%	81.91%	81.91%	81.91%	81.91%	81.91%	81.91%			
Q1 2016	17.00%	59.62%	65.37%	77.07%	77.26%	77.26%	78.74%	78.74%	78.74%	78.86%	78.86%	78.86%	78.86%	78.86%	78.86%	78.86%	78.86%	78.86%				
Q2 2016	21.81%	62.99%	68.74%	79.31%	79.31%	79.46%	79.46%	79.86%	79.95%	79.95%	79.95%	79.95%	79.95%	79.95%	79.95%	79.95%	79.95%					
Q3 2016	12.79%	48.62%	66.72%	72.05%	72.05%	72.05%	72.09%	72.21%	72.21%	72.21%	72.21%	72.21%	72.21%	72.70%	72.70%	72.70%						
Q4 2016	22.11%	57.72%	60.10%	65.76%	65.76%	68.67%	68.67%	68.67%	68.67%	68.67%	68.67%	68.67%	68.67%	70.86%	70.86%							
Q1 2017	19.93%	48.57%	64.71%	66.59%	67.90%	67.90%	68.61%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%								
Q2 2017	6.91%	47.42%	60.05%	74.68%	78.30%	78.30%	79.01%	79.01%	79.32%	79.32%	79.32%	79.32%	79.32%									
Q3 2017	23.87%	55.44%	66.15%	70.76%	72.66%	75.25%	75.25%	75.25%	75.25%	75.25%	77.39%	77.39%										
Q4 2017	6.52%	58.99%	60.58%	64.05%	77.71%	78.72%	78.72%	78.72%	78.72%	78.72%	78.72%											
Q1 2018	10.41%	48.61%	78.02%	84.51%	84.51%	84.66%	84.90%	84.90%	84.90%	84.90%												
Q2 2018	47.46%	57.52%	63.27%	63.35%	63.43%	63.43%	63.44%	63.44%	63.44%													
Q3 2018	65.05%	77.75%	80.63%	81.56%	81.91%	81.91%	81.91%	81.91%														
Q4 2018	19.44%	59.18%	69.87%	70.64%	70.68%	72.00%	75.43%															
Q1 2019	8.09%	59.06%	70.97%	70.97%	70.97%	73.49%																
Q2 2019	13.31%	45.96%	55.86%	63.36%	64.96%																	
Q3 2019	15.22%	53.50%	74.74%	84.26%																		
Q4 2019	8.81%	60.47%	68.10%																			
Q1 2020	19.57%	51.24%																				
Q2 2020	0.00%																					

Prepayments

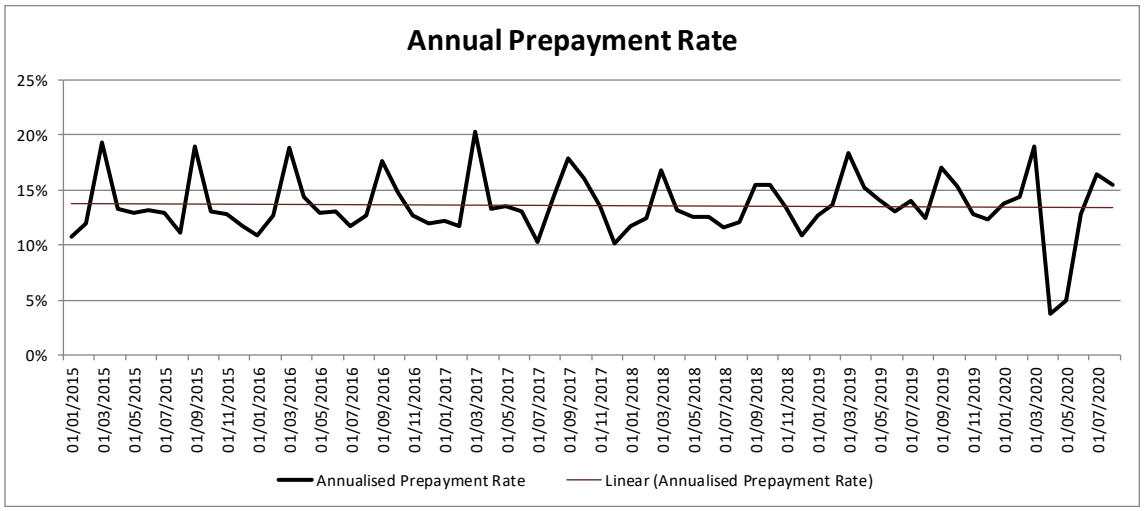
For a given month, the annual prepayment rate (APR) is calculated from the monthly prepayment rate (MPR) according to the following formula: APR = 1-(1-MPR)^(12).

The monthly prepayment rate (MPR) is calculated as the ratio of:

i. the outstanding principal balance of all Receivables prepaid during the month, to

ii. the outstanding principal balance of all Receivables (defaulted Receivables excluded) at the end of the previous month.

Annual prepayment rates – Total portfolio

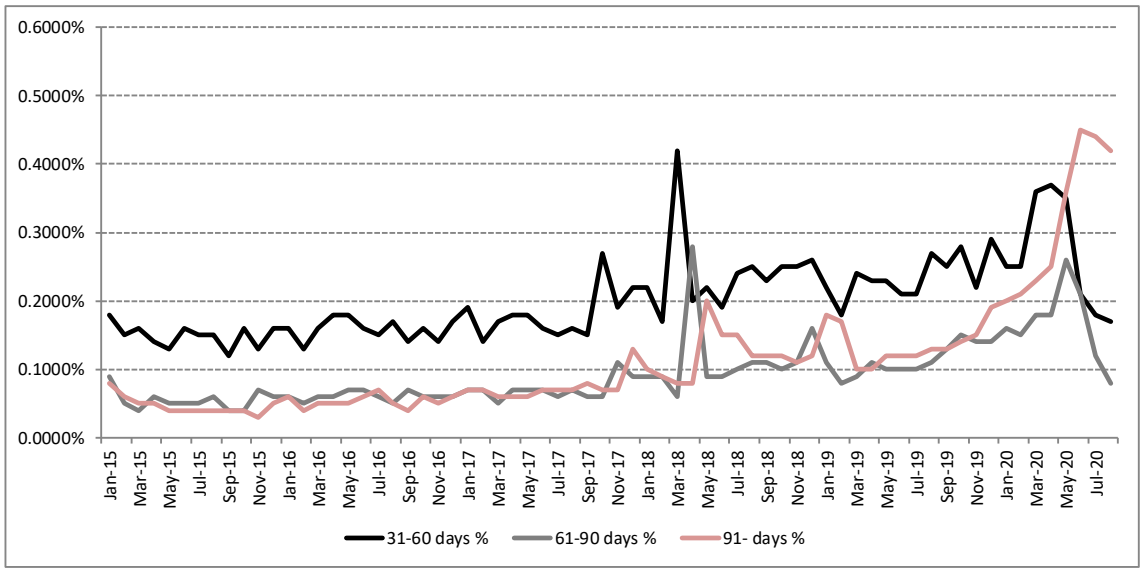


Delinquencies

For a given month and a given delinquency bucket (e.g. 1 instalment delinquent), the delinquency rate is calculated as the ratio of:

i. the outstanding principal balance of all delinquent Receivables (in the same delinquency bucket) during the month, to the outstanding principal balance of all Receivables (defaulted Receivables excluded) at the end of the month.

Delinquency rates – Total portfolio



Date	31-60 days %	61-90 days %	91- days %
Jan-15	0.1800%	0.0900%	0.0800%
Feb-15	0.1500%	0.0500%	0.0600%
Mar-15	0.1600%	0.0400%	0.0500%
Apr-15	0.1400%	0.0600%	0.0500%
May-15	0.1300%	0.0500%	0.0400%
Jun-15	0.1600%	0.0500%	0.0400%
Jul-15	0.1500%	0.0500%	0.0400%
Aug-15	0.1500%	0.0600%	0.0400%
Sep-15	0.1200%	0.0400%	0.0400%
Oct-15	0.1600%	0.0400%	0.0400%
Nov-15	0.1300%	0.0700%	0.0300%
Dec-15	0.1600%	0.0600%	0.0500%
Jan-16	0.1600%	0.0600%	0.0600%
Feb-16	0.1300%	0.0500%	0.0400%
Mar-16	0.1600%	0.0600%	0.0500%
Apr-16	0.1800%	0.0600%	0.0500%
May-16	0.1800%	0.0700%	0.0500%
Jun-16	0.1600%	0.0700%	0.0600%
Jul-16	0.1500%	0.0600%	0.0700%
Aug-16	0.1700%	0.0500%	0.0500%
Sep-16	0.1400%	0.0700%	0.0400%
Oct-16	0.1600%	0.0600%	0.0600%
Nov-16	0.1400%	0.0600%	0.0500%
Dec-16	0.1700%	0.0600%	0.0600%
Jan-17	0.1900%	0.0700%	0.0700%
Feb-17	0.1400%	0.0700%	0.0700%
Mar-17	0.1700%	0.0500%	0.0600%
Apr-17	0.1800%	0.0700%	0.0600%
May-17	0.1800%	0.0700%	0.0600%
Jun-17	0.1600%	0.0700%	0.0700%
Jul-17	0.1500%	0.0600%	0.0700%
Aug-17	0.1600%	0.0700%	0.0700%
Sep-17	0.1500%	0.0600%	0.0800%
Oct-17	0.2700%	0.0600%	0.0700%
Nov-17	0.1900%	0.1100%	0.0700%
Dec-17	0.2200%	0.0900%	0.1300%
Jan-18	0.2200%	0.0900%	0.1000%
Feb-18	0.1700%	0.0900%	0.0900%
Mar-18	0.4200%	0.0600%	0.0800%
Apr-18	0.2000%	0.2800%	0.0800%
May-18	0.2200%	0.0900%	0.2000%
Jun-18	0.1900%	0.0900%	0.1500%
Jul-18	0.2400%	0.1000%	0.1500%
Aug-18	0.2500%	0.1100%	0.1200%
Sep-18	0.2300%	0.1100%	0.1200%
Oct-18	0.2500%	0.1000%	0.1200%
Nov-18	0.2500%	0.1100%	0.1100%
Dec-18	0.2600%	0.1600%	0.1200%
Jan-19	0.2200%	0.1100%	0.1800%
Feb-19	0.1800%	0.0800%	0.1700%
Mar-19	0.2400%	0.0900%	0.1000%
Apr-19	0.2300%	0.1100%	0.1000%
May-19	0.2300%	0.1000%	0.1200%
Jun-19	0.2100%	0.1000%	0.1200%
Jul-19	0.2100%	0.1000%	0.1200%
Aug-19	0.2700%	0.1100%	0.1300%
Sep-19	0.2500%	0.1300%	0.1300%
Oct-19	0.2800%	0.1500%	0.1400%
Nov-19	0.2200%	0.1400%	0.1500%
Dec-19	0.2900%	0.1400%	0.1900%
Jan-20	0.2500%	0.1600%	0.2000%
Feb-20	0.2500%	0.1500%	0.2100%
Mar-20	0.3600%	0.1800%	0.2300%
Apr-20	0.3700%	0.1800%	0.2500%
May-20	0.3500%	0.2600%	0.3600%
Jun-20	0.2100%	0.2100%	0.4500%
Jul-20	0.1800%	0.1200%	0.4400%
Aug-20	0.1700%	0.0800%	0.4200%

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. 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 – Risks relating to the Issuer*".

EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS

The weighted average life of the Class A Notes refers to the average amount of time that will elapse from the Issue Date of the Class A Notes to the date of distribution of amounts of principal to the Class A Noteholders.

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 table is prepared on the basis of certain assumptions, as described below:

(i) the Class A Notes are issued on 20 November 2020;

(ii) the first Payment Date will be in January 2021 and thereafter each following Payment Date will be on the 20th calendar day of each month;

(iii) the relative scheduled amortisation profile of the Purchased Receivables as of the Cut-Off Date;

(iv) the Purchased Receivables are subject to a constant annual rate of principal prepayments as set out in the below table;

(v) the Purchased Receivables are fully performing and do not show any delinquencies or defaults;

(vi) the Purchased Receivables are not subject to loan restructuring;

(vii) no Purchased Receivables are repurchased by the Seller from the Issuer in any situation other than under (viii);

(viii) the Seller will exercise its right to exercise the Clean-Up Call at the earliest Payment Date possible;

(ix) 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; and

(x) no delinquencies, defaults or voluntary terminations arise on the Purchased Receivables.

The approximate weighted average lives and principal payment windows 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):

CPR in %	WAL (in Years)	First Principal Payment	Expected Maturity
0.0%	1.32	Jan-21	May-23
5.0%	1.22	Jan-21	Apr-23
10.0%	1.12	Jan-21	Mar-23
14.0%	1.05	Jan-21	Feb-23
18.0%	0.98	Jan-21	Dec-22
22.0%	0.92	Jan-21	Nov-22

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 average lives of the Class A Notes as made herein and as made by the provider of the cash flow model pursuant to Article 22(3) of the Securitisation Regulation might deviate from each other due to different calculation 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 (for the purpose of Article 22(3) of the Securitisation Regulation).

Assumed Amortisation of the Notes

This amortisation scenario is based on the assumptions listed above and is assuming a CPR of 14%. It should be noted that the actual amortisation of the Class A Notes may differ substantially from the amortisation scenario indicated below.

Month	Outstanding Principal Balance	Class A Balance
Nov-20	100%	100%
Jan-21	94%	92%
Feb-21	91%	87%
Mar-21	88%	83%
Apr-21	83%	77%
May-21	80%	73%
Jun-21	77%	69%
Jul-21	74%	65%
Aug-21	71%	61%
Sep-21	68%	57%
Oct-21	64%	52%
Nov-21	62%	48%
Dec-21	59%	44%
Jan-22	56%	41%
Feb-22	53%	37%
Mar-22	51%	34%
Apr-22	47%	29%
May-22	45%	25%
Jun-22	42%	22%
Jul-22	40%	19%
Aug-22	38%	16%
Sep-22	36%	13%
Oct-22	32%	8%
Nov-22	30%	5%
Dec-22	28%	3%
Jan-23	26%	0%

THE ISSUER

1. GENERAL

Silver Arrow S.A., a company with limited liability (*société anonyme*), was incorporated as a special purpose company for the purpose of issuing asset backed securities under the laws of Luxembourg on 21 October 2005, for an unlimited period and with registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg (telephone: + 352 26 449 1). The Company is registered with the Luxembourg Commercial Register under registration number B 111345 on 27 October 2005.

The Company has elected in its articles of incorporation to be governed by the Luxembourg Securitisation Law.

The legal entity identifier (LEI) of the Company is 529900IEOK33A1LGEM65.

2. CORPORATE PURPOSE OF THE ISSUER

The Company shall have as its business purpose the securitisation (within the meaning of the Luxembourg Securitisation Law which shall apply to the Company) of receivables (the "**Permitted Assets**"). The Company shall not actively source Permitted Assets but shall only securitise those Permitted Assets that are proposed to it by one or several originators. The Company may enter into any agreement and perform any action necessary or useful for the purposes of securitising Permitted Assets, provided it is consistent with (1) the Luxembourg Securitisation Law and (2) paragraph 35 of the Statement of Financial Accounting Standards No. 140 issued by the Financial Accounting Standards Board.

3. COMPARTMENTS

The board of directors of the Company may create one or more Compartments within the Company. Each Compartment shall, in respect of the corresponding funding, correspond to a distinct part of the assets and liabilities of the Company. The resolution of the board of directors creating one or more Compartments within the Company as well as any subsequent amendments thereto, shall be binding as of the date of such resolution against any third party.

As between the Noteholders of the Company, each Compartment of the Company shall be treated as a separate entity. Rights of creditors and investors of the Company that (i) have been designed as relating to a Compartment or (ii) have arisen in connection with the creation, the operation or the liquidation of a Compartment are strictly limited to the assets of that Compartment and such assets shall be exclusively available to satisfy such creditors and investors. Creditors and investors of the Company whose rights are designated as relating to a specific Compartment of the Company shall (subject to mandatory law) have no rights to the assets of any other Compartment.

Unless otherwise provided for in the resolution of the board of directors of the Company creating such Compartment, no resolution of the board of directors of the Company may be taken to amend the resolution creating such Compartment or take any other decision directly affecting the rights of the shareholders or creditors whose rights relate to such Compartment without the prior approval of the shareholders and creditors whose rights relate to such Compartment. Any decision of the board of directors taken in breach of this provision shall be void.

The liabilities and obligations of the Issuer incurred or arising in connection with the Notes and the other Transaction SA UK 2020-2 Documents and all matters connected therewith will only be satisfied or discharged against the assets of Compartment Silver Arrow UK 2020-2. At the Issue Date, Compartment Silver Arrow UK 2020-2 and all other Compartments established prior to the establishment of Compartment Silver Arrow UK 2020-2 will comprise all of the assets of the Company. The liabilities and obligations of the Company to the Corporate Services Provider in respect of the Corporate Services Agreement which have not arisen in connection with the creation, the operation or the liquidation of a specific compartment would be capable of being satisfied or discharged against the assets of all the Compartments of the Company, if they cannot be funded otherwise and have been proportionated *pro rata* among the compartments of the Company upon the decision of the Board. The assets of Compartment Silver Arrow UK 2020-2 will be exclusively available to satisfy the rights of the Noteholders and the other creditors of the Issuer in respect of

the Notes, the other Transaction SA UK 2020-2 Documents and all matters connected therewith, as provided therein, and (subject to mandatory law) no other creditors of the Company will have any recourse against the assets of Compartment Silver Arrow UK 2020-2 of the Issuer.

4. BUSINESS ACTIVITY

The Company has not previously carried on any business or activities other than those incidental to its incorporation, other than in respect of its Compartments established prior to the Issue Date and other than entering into certain transactions prior to the Issue Date with respect to the securitisation transaction contemplated herein.

In respect of Compartment Silver Arrow UK 2020-2, the Issuer's principal activities will be the issue of the Notes, the granting of the Security, the entering into the Subordinated Loan Agreement, the entering into the Swap Agreement and the entering into all other Transaction SA UK 2020-2 Documents to which it is a party and the opening of the Issuer Transaction Accounts and the exercise of related rights and powers and other activities reasonably incidental thereto.

In respect of Compartments other than Compartment Silver Arrow UK 2020-2, the principal activities of the Company will be the operation as a multi-issuance securitisation conduit for the purposes of, on an on-going basis, purchasing assets, directly or via intermediary purchasing entities, from several selling entities, or assuming the credit risk in respect of assets in any other way, and funding such purchases or risk assumptions in particular in the asset-backed markets. Each such securitisation transaction can be structured as a singular or as a revolving purchase of assets (or other assumption of credit risk) and shall be separate from all other securitisations entered into by the Company. To that end, each securitisation carried out by the Company shall be allocated to a separate Compartment.

5. CORPORATE ADMINISTRATION AND MANAGEMENT

The current Directors of the Company, as appointed under each of the relevant shareholder's resolutions, are as follows:

Director	Business address	Principal activities outside the Issuer
Mr Claudio Chirco, born on 21 January 1984, appointed in shareholders' resolutions dated 5 May 2020 (with effect from 5 May 2020)	6, rue Eugène Ruppert, L-2453 Luxembourg	Professional in providing corporate services
Mr Sean Barrett, born on 7 July 1986, appointed in shareholders' resolutions dated 5 May 2020 (with effect from 5 May 2020)	6, rue Eugène Ruppert, L-2453 Luxembourg	Professional in providing corporate services
Mr Luigi Maula, born on 10 June 1982, appointed in shareholders' resolutions dated 4 September 2018 (with effect from 14 August 2018)	6, rue Eugène Ruppert, L-2453 Luxembourg	Professional in providing corporate services

Each of the Directors confirms that there is no conflict of interest between his duties as a Director of the Company and his principal and/or other activities outside the Company.

6. CAPITAL AND SHARES, SHAREHOLDERS

The subscribed capital of the Company is set at EUR 31,000 divided into 3,100 shares fully paid up, registered shares with a par value of EUR 10 each.

The shareholders of the Company are the Stichting Bertdan and Stichting Cannelle, Dutch foundations (*stichtingen*) established under the laws of The Netherlands whose statutory seats are in Amsterdam and whose registered offices are at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands.

7. CAPITALISATION

The current share capital of the Company as at the date of this Prospectus is as follows:

Share Capital

Authorised, issued and fully paid up: EUR 31,000

8. INDEBTEDNESS

Silver Arrow S.A., acting in respect of its Compartment Silver Arrow UK 2020-2, has no material indebtedness, contingent liabilities and/or guarantees as at the date of the Prospectus, other than that which it has incurred or shall incur in relation to its Compartments and the transactions including the ones contemplated in this Prospectus.

9. HOLDING STRUCTURE

(a)	Stichting Bertdan, prenamed	1,550 shares
(b)	Stichting Cannelle, prenamed	1,550 shares
Total		**3,100 shares**

10. SUBSIDIARIES

The Company has no subsidiaries or Affiliates.

11. NAME OF SILVER ARROW'S FINANCIAL AUDITORS

KPMG Luxembourg, *Société coopérative de droit luxembourgeois*
39, Avenue John F. Kennedy
L-1855 Luxembourg

KPMG Luxembourg*, Société coopérative de droit luxembourgeois*, is a member of the Institut des Réviseurs d'Entreprises.

12. MAIN PROCESS FOR DIRECTOR'S MEETINGS AND DECISIONS

The Company is managed by a board of directors comprising at least three (3) members, whether shareholders or not, who are appointed for a period not exceeding six years by the general meeting of shareholders which may at any time remove them.

The number of directors, their term and their remuneration are fixed by the general meeting of the shareholders.

The office of a director shall be vacated if:

- He resigns his office by notice to the Company, or
- He ceases by virtue of any provision of the law or he becomes prohibited or disqualified by law from being a director, or
- He becomes bankrupt or makes any arrangement or composition with his creditors generally, or
- He is removed from office by resolution of the shareholders.

The board of directors may elect from among its members a chairman.

The board of directors convenes upon call by the chairman, as often as the interest of the Company so requires. It must be convened each time two directors so request.

Directors may participate in a meeting of the board of directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and speak to each other, and such participation in a meeting will constitute presence in person at the meeting, **provided that** all actions approved by the Directors at any such meeting will be reproduced in writing in the form of resolutions.

Resolutions signed by all members of the board of directors will be as valid and effectual as if passed at a meeting duly convened and held. Such signatures may appear on a single document or multiple copies of an identical resolution and may be evidenced by letter, fax, email or similar communication.

The board of directors is vested with the powers to perform all acts of administration and disposition in compliance with the corporate objects of the Company.

The board of directors can create one or several separate compartments, in accordance with article 5 of the articles of incorporation of the Company.

The Company will be bound in any circumstances by the joint signatures of two members of the board of directors unless special decisions have been reached concerning the authorized signature in case of delegation of powers or proxies given by the board of directors pursuant to article 11 of the articles of incorporation of the Company.

The board of directors may delegate its powers to conduct the daily management of the Company to one or more directors, who will be called managing directors.

It may also commit the management of all the affairs of the Company or of a special branch to one or more directors, and give special powers for determined matters to one or more proxy holders, selected from its own members or not, whether shareholders or not.

13. FINANCIAL STATEMENTS

Audited financial statements will be published by the Company on an annual basis.

The business year of the Company extends from 1 January to 31 December of each calendar year. The first business year began on 21 October 2005 and ended on 31 December 2005. KPMG Luxembourg*, Société coopérative de droit luxembourgeois*, as the auditor of the Company, audited the annual accounts of the Company displayed hereunder for the periods from 1 January 2017 to 31 December 2017, from 1 January 2018 to 31 December 2018 and from 1 January 2019 to 31 December 2019.

In the opinion of KPMG Luxembourg*, Société coopérative de droit luxembourgeois*, the below annual accounts gave, in conformity with Luxembourg legal and regulatory requirements, a true and fair report of the financial position of the Company as at 31 December 2017, 31 December 2018 and 31 December 2019 and of the result of its operations from 1 January 2017 to 31 December 2017, from 1 January 2018 to 31 December 2018 and from 1 January 2019 to 31 December 2019.

The financial statements of the Issuer for the fiscal years ended on 31 December 2017, 31 December 2018 and 31 December 2019 are incorporated by reference into this Prospectus. See "*DOCUMENTS INCORPORATED BY REFERENCE*".

14. INSPECTION OF DOCUMENTS

For the life of the Notes, the following documents (or copies thereof):

(a) the articles of incorporation of the Company;

(b) the resolution of the board of directors of the Company (acting in respect of its Compartment Silver Arrow UK 2020-2) approving the issue of the Notes;

(c) the Prospectus and all the Transaction SA UK 2020-2 Documents referred in this Prospectus; and

(d) the historical financial information (if any) of the Company;

may be inspected at the Issuer's office at 6, rue Eugène Ruppert, L-2453 Luxembourg.

The Notes will be obligations of the Issuer acting in respect of its Compartment Silver Arrow UK 2020-2 only and will not be guaranteed by, or be the responsibility of MBFS, Daimler AG or any other person or entity. It should be noted, in particular, that the Notes will not be obligations of, and will not be guaranteed by the Seller, the Servicer (if different), the Note Trustee, the Security Trustee, the Arranger, the Lead Manager or any of their respective Affiliates, the Subordinated Lender, the Account Bank, the Custodian, the Paying Agent, the Interest Determination Agent, the Data Trustee, the Swap Counterparty, the Calculation Agent, the Corporate Services Provider or the Stichting Bertdan and the Stichting Cannelle.

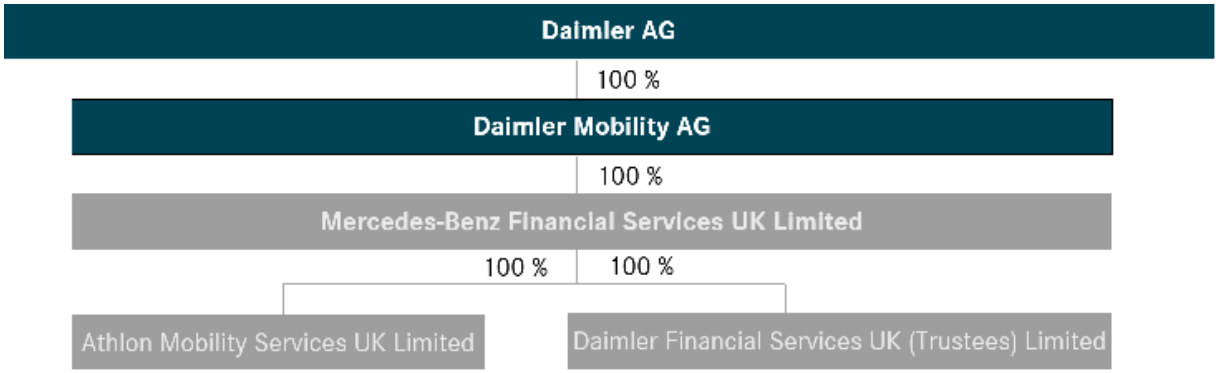
THE SELLER, THE SERVICER AND THE SUBORDINATED LENDER

BUSINESS AND ORGANISATION OF MBFS

Description of MBFS

MBFS is a finance company incorporated in England and Wales, authorised and regulated by the Financial Conduct Authority. MBFS is within the corporate group of Daimler AG, the ultimate parent organisation responsible for all Daimler products and services worldwide (see corporate structure chart below). MBFS has been supporting Daimler UK Group sales in the United Kingdom for over 25 years. Since October 2009 the Daimler brands in the United Kingdom encompass Mercedes-Benz, smart, Mitsubishi Fuso and Setra. Sales partners for automotive financial services are the Daimler automobile dealerships. MBFS has originated and serviced auto-loans for more than five years, being exposures similar to the Purchased Receivables. The Servicer has expertise in servicing – and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of – the portfolio and the wider MBFS portfolio.

Current Corporate Structure of Daimler UK Group



Financing Products

MBFS offers two types of product to retail customers:

- ***Contract Purchase ("PCP")***: MBFS's primary retail product is marketed as 'Agility'. Agility is a flexible method of financing a vehicle over a fixed term. At the end of the contract term, the customer has the option to:
    - return the vehicle;
    - refinance the balloon by a follow-up finance for a new vehicle (new loan contract); or
    - purchase the vehicle by paying the optional final payment.

The purchase decision can be deferred until the end of the contract enabling the customer to make a decision based on their circumstances at the time. The optional final payment is equal to a 'guaranteed future value' ("**GFV**") agreed when the contract was signed. In effect, this transfers the risk of greater than anticipated depreciation in the value of the vehicle, over the term of the contract, from the customer to MBFS. The GFV is established with reference to the vehicle specification (model and equipment), the term and mileage.

Payments are calculated on the amount financed after the deposit has been paid. A flexible deposit requirement and contract term enable the customer to tailor the finance to their individual needs.

PCP arrangements are currently regarded as the norm for funding new cars in the UK.

- ***Hire Purchase***: is a traditional method of financing a vehicle where the customer pays a deposit, and pays for the use of a vehicle over an agreed period of time and for agreed regular payments. The customer can gain ownership (title) of the vehicle by paying certain administrative fees (including an option price) at the end of the term of the contract. With Hire Purchase, payments are calculated on the amount financed after the deposit has been paid.

MBFS also offers a variety of leasing arrangements where ownership of the vehicle is not an option available to the customer:

Points of Sale

Retail business (as opposed to direct sales via Fleet or Corporate arrangements) is introduced to MBFS via the Retailer/Dealer Network.

Mercedes Benz and smart are represented in the United Kingdom by 19 separate Groups (18 franchises and one Daimler owned group) who in turn operate 31 defined areas of influence (Market Areas) throughout the UK. The franchisees (also referred to as 'partners') are owned by large automotive retailer groups active in the UK and include the listed PLC's in the sector.

The network is long established and stable. Periodic checks are made to ensure that the relevant licences and permissions are held by the legal entities from whom MBFS accepts business. Close working relationships over a long period enables Mercedes-Benz to understand and influence the partners to align with the brand values to ensure the best customer experience possible.

The truck (HCV) and van (LCV) customer segments are seen as materially different to passenger cars and are therefore supported by a separate commercial vehicle network. There are 20 main partners selling commercial vehicles for the brand whilst also introducing MBFS finance. The commercial vehicle network is also established and stable.

The Point of Sale Systems

The electronic point of sale system ("**ePOS**") is provided to all retail partners and enables the input of customer and vehicle data in order for MBFS to provide finance quotations, credit approval, contract document printing and activation of finance agreements, as appropriate.

All MBFS finance offers and campaigns are automatically loaded into the ePOS system.

MBFS, in partnership with Mercedes-Benz Cars and Mercedes-Benz Vans, is also creating self-service options for customers; the ability to perform much of the purchase journey on-line at home and not to interact with the retail network until the delivery/collection of the vehicle is arranged.

These tools use the same offers and campaigns as ePOS, but feed into a different electronic PoS system called MBF Showroom. Currently this is seeing limited volumes of business, only having been launched in September 2020, but as functionality and customer grows this will replace the legacy ePOS system.

Credit and Collection Policy

The following provides an overview of the credit origination and collections processes.

Credit Underwriting Process

All credit applications are submitted electronically via the dealer application management system, or directly from the customer via the Mercedes-Benz UK website and include the applicant's personal details to allow MBFS to assess the creditworthiness and affordability of the advance being requested. The personal details requested include full name, address, date of birth, contract telephone numbers, email address, employment history and income.

Once an application has been received a check is made against the portfolio to ascertain if there is already a relationship with the applicant. If not a unique customer number is assigned. A customer can have more than one contract, but only one customer number. This enables MBFS to track total exposure and manage customer contracts in a consistent manner.

MBFS use a number of fraud prevention agencies including CIFAS, the UK's leading fraud prevention service, and National Hunter a fraud detection product provided by Experian Information Solutions, Inc ("**Experian**").

All finance applications are screened against a fraud detection database and various other data sets (including mortality data and law enforcement intelligence). Applications are also automatically screened

against global Politically Exposed Persons lists and against the international Daimler Sanction lists, a sanction list managed and held by Daimler AG which imposes sanctions on the named persons to prevent dealings with any Daimler companies worldwide. Ongoing screening is carried out on a quarterly basis.

MBFS also work with the National Vehicle Crime Intelligence Service ("**NaVCIS**").

NaVCIS is a FLA funded unit within UK Law Enforcement dedicated to tackling vehicle finance fraud and vehicle enabled crime. NaVCIS have successfully disrupted numerous criminal groups and have prevented vehicles being exported from the UK.

Once a customer number has been assigned the loan to value ratio ("**LTV**") is calculated and a credit agency search completed. The LTV ratio seeks to ensure that a customer's equity position is realistic and does not expose either the customer or MBFS to an elevated level of risk.

Scoring Process

Each application is scored using a proprietary scorecard developed in-house in co-operation with a third party expert. The score represents the risk of default considering the applicant's creditworthiness and affordability. The scoring system operates within various predetermined business rules. These business rules are used to refer applications that do not pass the rule to an underwriter regardless of score. Applicants determined by the scoring system to represent an acceptable level of risk will be automatically approved.

All applications that fall below the scorecards minimum acceptable credit risk score are automatically rejected and the remainder are referred to an underwriter for review.

Each underwriter has an individual credit authority limit ("**CAL**"), depending on experience. These CALs range from £nil to £250k. All lending decisions above an individual CAL must be countersigned by an underwriter or manager with the appropriate credit authority limit. The underwriter will review the application and may make supplementary agency searches in order to establish a customer's creditworthiness and affordability. The underwriter will evaluate the customer's current and previous credit commitments in order to determine the nature of any supplemental research.

The underwriter may ask the applicant to confirm their capacity to pay by providing proof of income and bank statements to assess their expenditure. This will often take the form of an Open Banking request whereby the applicant agrees to a one-time access to their bank data via a credit bureau. This provides a standardised report with details and analysis on income and expenditure, regular cash movements and affordability metrics. Alternatively, the applicant may provide physical copies of bank statements and payslips.

The underwriter will assess the customer's income against expenditure and make a lending decision.

Activation Process

Contracts are signed via an electronic "Click-to-Sign" process. The dealer initiates the process and the customer may sign the document either at a dealer location or off-site. If they elect to sign off site they receive a personalised URL to commence the process which is sent to them via email.

The customer authenticates themselves digitally via "Knowledge Based Authentication"; a series of multiple choice questions derived from their Equifax credit file. When they pass the authentication process they access the SECCI, Pre-Contract Information, the contract together with the Direct Debit Mandate.

When signed, the document is transmitted to MBFS UK with a digital audit trail of the customer processing together with the IP address details. This provides a digital and secure record of the signing ceremony to protect the customer and MBFS. The secure file is digitally sealed and can be retrieved later to support MBFS' case in the event of any claim from a customer that they did not enter into the agreement.

Rating Process

The rating applies to all applicants with a gross exposure higher than £250k. The evaluation and documentation of the creditworthiness of corporate customers is completed within a global Daimler tool for corporate lending. Ratings as well as applicant financial statements are stored in that tool. The financial statements are recorded in a locally defined chart of accounts.

To assign a rating to a customer, qualitative and quantitative data will be analysed. The Corporate Rating Model consists of four mandatory sections and further optional sections to be completed where appropriate. A weight is assigned to each section, reflecting the effect on the borrower's risk to default on its financial commitments.

Servicing and Collection Procedures

Customers have a number of options of how to interact with MBFS once a contract has been activated. A web based portal is available that enables customers to calculate settlement figures, change their payment date, bank details and personal contact details. In addition, the usual options of telephone, letter and email are supported by a Customer Contact Centre.

Credit Risk Management

All contracts are initiated with automated regular payments via Direct Debit. The Collections team addresses loans where the regular payment schedule has broken down. This may be for a variety of reasons from simple administrative problems to cases of genuine financial difficulty. These cases are flagged to the Collections team via the collections management system.

There are a number of stages when a missed payment is experienced. The first stage is an automated second attempt to collect payment via Direct Debit. If this is unsuccessful a contact strategy is initiated to understand the issue. These contacts consist of letter, SMS and telephone. This early Collections activity (up to the point of contract termination) is conducted via a Shared Service Centre located in Mercedes-Benz Bank in Berlin, Germany. The Shared Service Centre is an Approved Representative of MBFS UK authorised by the FCA.

Where the customer is experiencing financial difficulty, the Collections team has a variety of options with which to offer forbearance that is appropriate to the customer's needs. These can include a short term payment plan for temporary income shocks, reduced or token payments or restructuring of the agreement if the financial difficulty is long-term.

Where little or no progress is being made towards resolving the situation MBFS will seek to escalate activity according to a reasonable timeline. Customers who fall more than two instalments in arrears will be issued with a formal Notice of Default.

If MBFS is having difficulties contacting customers a third party may be used to make contact. Contact includes both telephone and home visits. Following expiry of a Notice of Default and in the absence of any customer contact, the contract will normally be terminated. At this point the contract management is transferred back to the Vehicle and Debt Recovery team in the UK and the contract will then be assigned to a third party for recovery.

MBFS uses external agents to help trace customers that cannot be contacted or to recover vehicles on its behalf. The relationships are monitored on a daily basis, to ensure accounts are worked and are actioned in-line with MBFS policies and values. These agents are themselves authorised by the FCA.

Repossession and sale of vehicles

Where the continued payment of the monthly rentals proves to be impossible for customers, they may agree to a voluntary surrender of the vehicle, where amounts overdue to date are paid, or an agreement on how these will be settled is reached, and the car is handed back to MBFS to end the contract.

Where the customer refuses to pay outstanding arrears or to surrender the vehicle MBFS will take action to recover its asset. Once the asset has been recovered it is sold via an appropriate remarketing channel and the sale proceeds are applied to the account. Any shortfall between the sale price and the contract balance are then pursued, at first via an in-house litigation team and if unsuccessful the debt is passed to a lawyer.

MBUK Purchase

MBFS has entered into a purchase arrangement with MBUK (Cars) and a further purchase agreement with MBUK (Vans) under which MBUK (Cars) or MBUK (Vans) (as applicable) has agreed to purchase Vehicles relating to Financing Contracts which are Redelivery PCP Contracts and MBUK (Cars) under which MBUK (Cars) has agreed to purchase Vehicles relating to Financing Contracts which are subject to

voluntary termination by the Obligor. Under the purchase arrangements, MBUK (Cars) or MBUK Vans (as applicable) will purchase:

(a) Vehicles which relate to Financing Contracts which are subject to Voluntary Termination at a purchase price equal to:

(i) the market value for such Vehicle (using an industry accepted reference), if, at such time as the Financing Contract is subject to voluntary termination, there are three (3) or more instalments under the Financing Contract remaining outstanding; or

(ii) the Optional Final Payment, if, at such time as the Financing Contract is subject to voluntary termination, there are less than three (3) instalments under the Financing Contract remaining outstanding; and

(b) Vehicles which relate to Redelivery PCP Contracts, **provided that** such purchase occurs within 90 days of the maturity of such PCP Contract at a purchase price equal to:

(i) the Optional Final Payment, for any Vehicle which is purchased between 0 and 14 days after the maturity of the Financing Contract;

(ii) the Optional Final Payment less a late payment charge, for any Vehicle which is purchased between 15 and 90 days after the maturity of such PCP Contract.

Vehicles which are repossessed by MBFS, which relate to Financing Contracts subject to Early Settlement, or which relate to Redelivery PCP Contracts and are not purchased on or before ninety (90) days after maturity of the PCP Contract are not purchased by MBUK (Cars) or MBUK (Vans) (as applicable).

THE NOTE TRUSTEE, SECURITY TRUSTEE AND DATA TRUSTEE

No later than the Issue Date the Issuer will appoint Wilmington Trust SP Services (Frankfurt) GmbH as the Note Trustee and the Security Trustee and Data Custody Agent Services B.V. as the Data Trustee.

Wilmington Trust SP Services (Frankfurt) GmbH, a company incorporated with limited liability (*Gesellschaft mit beschränkter Haftung*) under the laws of the Federal Republic of Germany, registered in the commercial register of the lower court (*Amtsgericht*) in Frankfurt am Main under registration number HRB 76380 and having its registered office at Steinweg 3-5, 60313 Frankfurt, Federal Republic of Germany, will act as Note Trustee and Security Trustee in favour of the Secured Parties in relation to the Notes.

Wilmington Trust SP Services (Frankfurt) GmbH provides a wide range of corporate and trust services in capital market transactions. Since its opening in 2006 Wilmington Trust SP Services (Frankfurt) GmbH acts as corporate administrator in about 70 German special purpose vehicles as corporate administrator, holds in numerous transactions the function of a security trustee and provides loan administration services for structured/syndicated loan transactions.

Wilmington Trust SP Services (Frankfurt) GmbH is ultimately held by M&T Bank Corp., Buffalo/New York, USA, a NYSE listed bank (trading symbol: "**MTB**") in the United States.

The information in the preceding 3 paragraphs has been provided by Wilmington Trust SP Services (Frankfurt) GmbH for use in this Prospectus and Wilmington Trust SP Services (Frankfurt) GmbH is solely responsible for the accuracy of the preceding 3 paragraphs, **provided that**, with respect to any information included herein and specified to be sourced from Wilmington Trust SP Services (Frankfurt) GmbH (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 Wilmington Trust SP Services (Frankfurt) GmbH, 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 3 paragraphs, Wilmington Trust SP Services (Frankfurt) GmbH, in its capacity as Note Trustee and Security Trustee and its affiliates have not been involved in the preparation of and does not accept responsibility for, this Prospectus.

Data Custody Agent Services B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its official seat (*statutaire zetel*) in Amsterdam, The Netherlands, and its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands, registered in the Trade Register under number 34199176, will act as data trustee of the Issuer in relation to the Notes.

THE SWAP COUNTERPARTY

This description of the Swap Counterparty does not purport to be an abstract of, and is therefore subject to, and qualified in its entirety by reference to, the detailed provisions of the Swap Agreement and the other Transaction SA UK 2020-2 Documents.

For the purposes of the Transaction UK 2020-2, the Issuer has appointed DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main ("**DZ BANK**"), registered with the commercial register (Handelsregister) of the local court (Amtsgericht) in Frankfurt am Main under registration number HRB 45651 and with the legal entity identifier (LEI) 529900HNOAA1KXQJUQ27 as Swap Counterparty.

DZ BANK is acting as a central bank, corporate bank and parent holding company of the DZ BANK Group. The DZ BANK Group forms part of the German Volksbanken Raiffeisenbanken cooperative financial network, which comprises around 850 cooperative banks and is one of Germany's largest financial services organisations measured in terms of total assets.

DZ BANK is a central institution and is closely geared to the interests of the cooperative banks, which are both its owners and its most important customers. Using a customized product portfolio and customer-focused marketing, DZ BANK aims to ensure that the cooperative banks continually improve their competitiveness on the basis of their brands and - in the opinion of the Issuer - a leading market position. In addition, DZ BANK in its function as central bank for around 850 cooperative banks in Germany is responsible for liquidity management within the Volksbanken Raiffeisenbanken cooperative financial network.

As a corporate bank DZ BANK serves companies and institutions that need a banking partner that operates at the national level. DZ BANK offers the full range of products and services of an international oriented financial institution with a special focus on Europe. DZ BANK also provides access to the international financial markets for its partner institutions and their customers.

THE CORPORATE SERVICES PROVIDER

Pursuant to the Corporate Services Agreement, the Issuer has appointed Intertrust (Luxembourg) S.à r.l. as corporate services provider (the "**Corporate Services Provider**") to provide management, secretarial and administrative services to the Issuer including the provision of managing directors of the Issuer. It is not in any manner associated with the Issuer or with Daimler AG.

Intertrust is a provider of corporate services, including independent directors, corporate governance and accounting services to SPVs. Intertrust (Luxembourg) S.à r.l. has a business licence as professional of the financial sector including domiciliation agents (Domiciliataires de Sociétés) and is supervised by the CSSF.

The sole shareholder of Intertrust (Luxembourg) S.à r.l. is Intertrust Holding (Luxembourg) S.à r.l., a private limited liability company (société à responsabilité limitée), existing and organised under the laws of the Grand Duchy of Luxembourg with its registered office at 6, Rue Eugène Ruppert L-2453 Luxembourg, being registered with the Luxembourg Register of Commerce and Companies under number B 156.338.

The information in the preceding two paragraphs has been provided by Intertrust (Luxembourg) S.à r.l. for use in this Prospectus and Intertrust (Luxembourg) S.à r.l. 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 the Corporate Services Provider (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the above information available to it from the Corporate Services Provider, no facts have been omitted, the omission would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy hereof. Except for the preceding paragraph, Intertrust (Luxembourg) S.à r.l. in its capacity as Corporate Services Provider, and its affiliates have not been involved in the preparation of, and does not accept responsibility for, this Prospectus.

THE ACCOUNT BANK, CALCULATION AGENT, INTEREST DETERMINATION AGENT, CUSTODIAN AND PAYING AGENT

No later than the Issue Date, the Issuer will appoint Elavon Financial Services DAC as Account Bank, Calculation Agent, Interest Determination Agent, Custodian and Paying Agent. See "*OVERVIEW OF THE OTHER PRINCIPAL DOCUMENTS — 9. Bank Account Agreement*", "*OVERVIEW OF THE OTHER PRINCIPAL DOCUMENTS — 5. Calculation Agency Agreement*", "*OVERVIEW OF THE OTHER PRINCIPAL DOCUMENTS – 10. Custody Agreement*" and "*OVERVIEW OF THE OTHER PRINCIPAL DOCUMENTS — 6. Agency Agreement*".

Elavon Financial Services DAC, trading as U.S. Bank Global Corporate Trust, is an integral part of the worldwide Corporate Trust business of the U.S. Bancorp group. In Europe, U.S. Bank Global Corporate Trust conducts business through Elavon Financial Services DAC from its offices in Dublin at Building 8, Cherrywood Business Park, Loughlinstown, Dublin 18, Ireland D18 W319 and through its UK Branch in London at 125 Old Broad Street, London EC2N 1AR, United Kingdom.

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

In Europe, the Corporate Trust business is conducted in combination with U.S. Bank Global Corporate Trust Limited (the legal entity through which certain Corporate Trust agency appointments are conducted), U.S. Bank Trustees Limited (the legal entity through which Corporate Trust trustee appointments are conducted) and U.S. Bank National Association (the legal entity through which Corporate Trust conducts business in the United States).

The Corporate trust business of U.S. Bancorp is one of the world's largest providers of corporate trust services with more than USD4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The Corporate Trust business provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and custody through its network of more than 50 U.S.-based offices and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB) is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States. Visit U.S. Bancorp on the web at www.usbank.com.

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

U.S. Bank Trustees Limited is part of the worldwide Corporate Trust business of the U.S. Bancorp group. In Europe, the Corporate Trust business is conducted in combination with Elavon Financial Services DAC., U.S. Bank Global Corporate Trust Limited (the legal entities through which Corporate Trust banking and agency appointments are conducted) and U.S. Bank National Association, (the legal entity through which Corporate Trust conducts business in the United States).

The Corporate trust business of U.S. Bancorp is one of the world's largest providers of corporate trust services with more than USD4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The division provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and custody through its network of more than 50 U.S.-based offices and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB) is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States. Visit U.S. Bancorp on the web at www.usbank.com.

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

U.S. Bank Global Corporate Trust Limited is part of the worldwide Corporate Trust business of the U.S. Bancorp group. In Europe, the Corporate Trust business is conducted in combination with Elavon Financial Services DAC. (the legal entity through which Corporate Trust banking and certain agency appointments are conducted), U.S. Bank Trustees Limited (the legal entity through which Corporate Trust trustee

appointments are conducted) and U.S. Bank National Association, (the legal entity through which Corporate Trust conducts business in the United States).

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The information in the preceding paragraphs has been provided by Elavon Financial Services DAC for use in this Prospectus and Elavon Financial Services DAC is solely responsible for the accuracy of the preceding 4 paragraphs, **provided that**, with respect to any information included herein and specified to be sourced from Elavon Financial Services DAC (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 Elavon Financial Services DAC 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, Elavon Financial Services DAC, in its capacity as Account Bank, Calculation Agent, Interest Determination Agent, Custodian 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 of certain tax consequences of the acquisition, ownership and disposal of Notes. This discussion is not a comprehensive description of all tax considerations which may be relevant to a decision to purchase, hold or dispose of Notes. It does not purport to be a complete analysis of all tax considerations relating to 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 the Grand Duchy of Luxembourg and the laws of England and Wales 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. Potential investors of 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.

UNITED KINGDOM TAXATION

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice of Her Majesty's Revenue and Customs ("**HMRC**"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. It assumes that there will be no substitution of the Issuer and does not consider the tax consequences of any such substitution.

The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

Withholding tax

Interest on the Notes may be paid by the Issuer without withholding or deduction for or on account of the United Kingdom income tax if the Notes constitute "quoted Eurobonds". Notes which carry a right to interest will constitute quoted Eurobonds provided they are and continue to be listed on a recognised stock exchange (within the meaning of section 1005 of the Income Tax Act 2007 (the "**Act**") for the purposes of section 987 of the Act). Securities will be "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange.

The Luxembourg Stock Exchange is a recognised stock exchange. The Issuer's understanding of current HMRC practice is that securities which are officially listed and admitted to trading on the Main Market of that Exchange may be regarded as "listed on a recognised stock exchange" for these purposes.

In all cases falling outside the exemption described above, interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20%) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Luxembourg and the United Kingdom) have entered into, or agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of the IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" and the Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for the purposes of FATCA withholding unless materially modified after such date.

Noteholders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

LUXEMBOURG TAXATION

The statements herein regarding withholding tax considerations in Luxembourg are based on the laws in force in the Grand Duchy of Luxembourg as of the date of this Prospectus and are subject to any changes in law.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to Luxembourg resident individual holders of the Notes, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) or upon payment of principal in case of redemption or repurchase of the Notes.

Non-resident holders of Notes

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption, repurchase or exchange of the Notes held by non-resident holders of the Notes.

Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the "**Relibi Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption, repurchase or exchange of the Notes held by resident holders of the Notes.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

SUBSCRIPTION AND SALE

PURCHASE OF THE NOTES

The note purchaser, the Issuer and the Seller are parties to the note purchase agreement. Pursuant to the note purchase agreement, the note purchaser has agreed, subject to certain conditions, to purchase the Class A Notes. The Seller will purchase the Class B Notes from the Issuer.

Pursuant to the note purchase agreement, the Seller and the Issuer have agreed to indemnify the note purchaser as more specifically described in the note purchase agreement, for and against certain Losses and liabilities in connection with certain representations in respect of, *inter alia*, the accurateness of certain information contained in this Prospectus.

In the note purchase agreement, the Issuer has made certain representations and warranties in respect of its legal and financial matters.

SELLING RESTRICTIONS

General

All applicable laws and regulations must be observed in any jurisdiction in which the Notes may be offered, sold or delivered. The Lead Manager has agreed that it will not, directly or indirectly, offer, sell or deliver any of the Notes or distribute the 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 Lead Manager's knowledge and belief, and that it will not impose any obligations on the Issuer except as set out in the note purchase agreement.

The Notes sold as part of the initial distribution 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**"). "**U.S. Risk Retention Rules**" means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended. Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is similar to, but not identical to, the definition of "U.S. person" in Regulation S and that persons could be a Risk Retention U.S. Person but not a "U.S. person" under Regulation S. Under the U.S. Risk Retention Rules, and subject to limited exceptions, "U.S. person" means any of the following:

- Any natural person resident in the United States;
- Any partnership, corporation, limited liability company, or other organization or entity organized or incorporated under the laws of any State or of the United States;[3]
- Any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);
- Any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);
- Any agency or branch of a foreign entity located in the United States;
- 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);
- Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- Any partnership, corporation, limited liability company, or other organization or entity if:

[3] The comparable provision from Regulation S is "(ii) any partnership or corporation organised or incorporated under the laws of the United States."

(1) Organized or incorporated under the laws of any foreign jurisdiction; and

(2) 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.[4]

The material difference between such definitions is that (1) a "U.S. person" under Regulation S includes any partnership or corporation that is organized or incorporated under the laws of any foreign jurisdiction formed by one or more "U.S. persons" (as defined in Regulation S) principally for the purpose of investing in securities that are otherwise offered within the United States pursuant to an applicable exemption under the Securities Act unless it is organized or incorporated and owned by accredited investors (as defined in Rule 501(a) of Regulation D under the Securities Act) who are not natural persons, estates or trusts, while (2) any organization or entity described in (1) is treated as a "U.S. person" under the U.S. Risk Retention Rules, regardless of whether it is so organized and owned by accredited investors (as defined in Rule 501(a) of Regulation D under the Securities Act) who are not natural persons, estates or trusts.

Each purchaser of Notes, including beneficial interests therein, if purchased during the initial syndication of the Notes will, by its acquisition of a Note or beneficial interest therein, be deemed, and in certain circumstances (including as a condition to placing an order relating to the Notes), will be required, to have made certain representations and agreements, including that it (1) is not a Risk Retention U.S. Person; (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules.

Notwithstanding the foregoing, the Issuer can, with the prior consent of MBFS, sell a limited portion of the Notes (representing no more than 10 per. cent of the sterling value of the Class A Notes and the Class B Notes) to, or for the account or benefit of, Risk Retention U.S. Persons in accordance with an exemption from the U.S. Risk Retention Rules.

The Seller, the Issuer, the Arranger and the Lead Manager 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 Lead Manager 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 Lead Manager 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.

United States of America and its Territories

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any U.S. state securities law 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 the registration requirements of the Securities Act. The Lead Manager represents and agrees that it has not offered or sold the Notes, and will not offer or sell the Notes (i) as part of its distribution at any time or (ii) otherwise until forty (40) calendar days after the later of (a) the date the Notes are first offered to Persons other than distributors in reliance on Regulation S and (b) the Issue Date (the "**Distribution Compliance Period**") within the United States or to, or for the account or benefit of, US persons except, in either case, only in accordance with Rule 903 of Regulation S under the Securities Act. Neither the Lead Manager nor their respective Affiliates nor any Persons acting on their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. At or prior to confirmation of sale of Notes, the Lead Manager will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from them during the Distribution Compliance Period a confirmation or notice to substantially the following effect:

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

"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 Issue Date, except in either case, in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them in Regulation S under the Securities Act".

Terms used in this section have the meaning given to them in Regulation S under the Securities Act.

United Kingdom

The Lead Manager has represented to the Issuer 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.

Prohibition on Sales to Retail Investors in the European Economic Area and the UK

The Lead Manager represents and agrees with the Issuer in respect of the Notes that it has not offered or sold or made available and will not offer or sell or otherwise make available any Notes to retail investors in the European Economic Area or 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 (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or recast, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and the term "**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.

Public Offer Selling Restriction under the Prospectus Regulation (EEA)

Other than the approval of the Prospectus by the CSSF, the filing of the Prospectus with the CSSF and making the Prospectus available to the public in accordance with the Prospectus Regulation, no action has been or will be taken in any jurisdiction by the Issuer or the Lead Manager that would, or is intended to, permit a public offering of the Notes, or possession or distribution of the Prospectus or any other offering materials, in any country or jurisdiction where action for that purpose is required. The Notes are not intended for investment by retail investors and this Prospectus has not been prepared for distribution to retail investors.

USE OF PROCEEDS

The aggregate gross proceeds from the issue of the Notes amounting to approximately GBP 676,000,000.00 will be used to purchase, on the Purchase Date, Eligible Receivables from the Seller.

GENERAL INFORMATION

1. **Subject of this Prospectus**

This Prospectus relates to GBP 676,000,000.00 aggregate principal amount of the Notes issued by Silver Arrow S.A., acting in respect of its Compartment Silver Arrow UK 2020-2, 6, rue Eugène Ruppert, L-2453 Luxembourg, R.C.S. Luxembourg B 111345.

2. **Authorisation**

The issue of the Notes was authorised by a resolution of the board of directors of Silver Arrow S.A., acting in respect of its Compartment Silver Arrow UK 2020-2, passed on 16 November 2020.

3. **Litigation**

Neither the Company is, or has been since its incorporation and during the period covering at least the previous 12 months, nor the Seller is, or – during the period covering at least the previous 12 months – has been, engaged in any governmental, litigation or arbitration proceedings which may have or have had during such period a significant effect on their respective financial position or profitability, and, as far as the Company and the Seller are aware, no such litigation or arbitration proceedings are pending or threatened, respectively.

4. **Payment information and post-issuance information**

The Issuer does not intend to provide any post-issuance transaction information regarding the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and the performance of the underlying Purchased Receivables, except if required by any applicable laws and regulations.

For as long as the Notes are listed on the official list and are admitted to trading on the regulated market of the Luxembourg Stock Exchange, the Issuer will inform the Luxembourg Stock Exchange of the Interest Amounts, the Interest Periods and the Interest Rates and, if relevant, the payments of principal on the 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.

All notices regarding the Notes will either be published in a leading daily newspaper with general circulation in Luxembourg designated by the Luxembourg Stock Exchange (which is expected to be the *Luxemburger Wort* or on the website of the Luxembourg Stock Exchange at www.bourse.lu) or, when the rules of the Luxembourg Stock Exchange so permit, by delivery to Clearstream Luxembourg and Euroclear.

The Seller, in its role as Servicer, will, on behalf of the Issuer, satisfy and provide loan-level data 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 17 December 2012 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 as of the date of the last published audited financial statements (31 December 2019).

6. **Miscellaneous**

The Issuer will not publish interim Issuer Transaction Accounts. The fiscal year in respect of the Issuer is the calendar year.

7. **Listing and admission to trading**

Application has been made for the Notes to be admitted for listing on the Official List of the Luxembourg Stock Exchange and to be traded on the regulated market of the Luxembourg Stock Exchange. The estimated total expenses related to the admission to trading are EUR 9,600 (equivalent to approximately GBP 8,600).

From the Issue Date until the Legal Maturity Date, copies of the following documents may also be inspected during customary business hours at the specified offices of the Paying Agent:

(a) the articles of incorporation of the Company;

(b) the resolutions of the board of directors of the Company creating Compartment Silver Arrow UK 2020-2 and approving the issue of the Notes;

(c) the audited annual accounts of the Company for the periods from 1 January 2017 to 31 December 2017, from 1 January 2018 to 31 December 2018 and from 1 January 2019 to 31 December 2019;

(d) the future annual financial statements of the Company (interim financial statements will not be prepared);

(e) the Monthly Investor Reports;

(f) all notices given to the Noteholders pursuant to the Conditions; and

(g) this Prospectus and all Transaction SA UK 2020-2 Documents referred to in this Prospectus.

The articles of association of the Issuer and the Prospectus and all Transaction SA UK 2020-2 Documents referred to in this Prospectus will be available on the website of EuroABS (being, as at the date of this Prospectus, www.euroabs.com), being a website that conforms to the requirement set out in Article 7(2) of the Securitisation Regulation. For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus and has not been scrutinised or approved by the competent authority.

The Monthly Investor Report shall include detailed summary statistics and information regarding the performance of the portfolio of the Purchased Receivables and contain a glossary of the terms which can be found in the Master Definition Schedule of the Prospectus. The first Monthly Investor Report issued by the Issuer shall additionally disclose the amount of Notes (i) privately-placed with investors other than the Seller and its affiliated companies (together the "**Originator Group**"), (ii) retained by a member of the Originator Group and (iii) publicly-placed with investors which are not part of the Originator Group. In relation to any amount of Notes initially retained by a member of the Originator Group but subsequently placed with investors outside the Originator Group such circumstance will be disclosed (to the extent legally permitted) in the next Monthly Investor Report following such outplacing.

Furthermore, the Issuer undertakes to make available to the Noteholders on a regular basis from the Issue Date until the Legal Maturity Date the Loan Level Data and the Liability Cash Flow Model either directly or indirectly through one or more entities who provide such cash flow models to investors generally.

8. **Reporting**

MBFS (as originator) will procure that the information and reports as more fully set out in the section of this Prospectus headed "*Compliance with Article 7 of the Securitisation Regulation*" are published when and in the manner set out in such section.

9. **ICSDs**

Euroclear Bank S.A./N.V.
1 Boulevard du Roi Albert II
B-1210 Brussels
Belgium

Clearstream Banking, *société anonyme*, Luxembourg
42 Avenue JF Kennedy
L-1885 Luxembourg

10. **Clearing codes**

Class A Notes	**Class B Notes**
ISIN: XS2257972930	ISIN: XS2257973318
Common Code: 225797293	Common Code: 225797331

11. **Legal Entity Identifier**

The legal entity identifier (LEI) of Silver Arrow S.A. is: 529900IEOK33A1LGEM65.

DOCUMENTS INCORPORATED BY REFERENCE

The following information, which has been published and filed with the Commission de Surveillance du Secteur Financier, shall be deemed to be incorporated by reference in, and to form part of, this Prospectus:

Comparative table of documents incorporated by reference

Page	Section of Prospectus	Document incorporated by reference
161	The Issuer, Financial Statements	The Issuer's audited annual financial statements for the year ended 31 December 2018, prepared in accordance with Luxembourg legal and regulatory requirements relating to the preparation of annual accounts: **Page** Audit report ..... 10-14 Directors' report ..... 3-9 Balance sheet as at 31 December 2018 ..... 15-19 Profit and loss account for the year ended 31 December 2017 ..... 20-21 Notes to the accounts ..... 22-45 The Issuer's audited annual financial statements for the year ended 31 December 2019, prepared in accordance with Luxembourg legal and regulatory requirements relating to the preparation of annual accounts: **Page** Audit report ..... 10-14 Directors' report ..... 3-9 Balance sheet as at 31 December 2019 ..... 15-19 Profit and loss account for the year ended 31 December 2019 ..... 20-21 Notes to the accounts 22-60

The information incorporated by reference that is not included in the above cross-reference list, is considered additional information and is not required by the relevant schedules of Commission Regulation (EC) No. 2019/980 of 14 March 2019.

Availability of incorporated documents

Any document incorporated herein by reference can be obtained without charge at the offices of Silver Arrow S.A., acting in respect of its Compartment Silver Arrow UK 2020-2 as set out at the end of this Prospectus. In addition, for as long as the Notes are listed on the Luxembourg Stock Exchange, any document incorporated herein by reference will be published on the website of the Luxembourg Stock Exchange at http://dl.bourse.lu/dlp/105822a3cda4054227bba2b9ebaeaf2385 and http://dl.bourse.lu/dlp/10e5f0055571d4482485d76717d69a206c).

MASTER DEFINITIONS SCHEDULE

The following is part of the Master Definitions Schedule. The Master Definitions Schedule will be attached as Appendix A to the Conditions and constitutes an integral part of the Conditions – in case of any overlap or inconsistency in the definitions of a term or expression in the Master Definitions Schedule and elsewhere in the Prospectus, the definitions of the Master Definitions Schedule will prevail.

1. **DEFINITIONS**

The parties to the Incorporated Terms Memorandum agree that, except where expressly stated to the contrary or where the context otherwise requires, the definitions set out below shall apply to terms or expressions referred to but not otherwise defined in each Transaction SA UK 2020-2 Document.

"**Account Bank**" means Elavon Financial Services DAC or any successor thereof or any other Person appointed as replacement Account Bank from time to time in accordance with the Bank Account Agreement.

"**Administration Expenses**" means the fees, costs, and expenses (excluding indemnity payments) payable on each Payment Date to or with respect to:

(a) the Corporate Services Provider under the Corporate Services Agreement;

(b) the Account Bank under the Bank Account Agreement;

(c) the Calculation Agent under the Calculation Agency Agreement;

(d) the Custodian under the Custody Agreement;

(e) the Data Trustee under the Data Trust Agreement;

(f) the Paying Agent and the Interest Determination Agent under the Agency Agreement;

(g) the accountants and auditors of the Issuer and any annual return or exempt company status fees;

(h) the Rating Agencies;

(i) the listing of the Notes on the official list of the Luxembourg Stock Exchange and the admission to trading of the Notes on the regulated market of the Luxembourg Stock Exchange; and

(j) such other persons appointed by the Issuer as servicer providers.

"**Administrator Recovery Incentive**" means any incentive fee, costs and/or expenses payable by the Issuer, pursuant to the Servicing Agreement, to an Insolvency Official of MBFS in relation to the sale of Vehicles after MBFS becomes Insolvent.

"**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 Person, any entity controlled, directly or indirectly by the Person, any entity that controls, directly or indirectly the Person or any entity directly or indirectly under common control with such Person (for this purpose, "control" of any entity of Person means ownership of a majority of the voting power of the entity or Person).

"**Agency Agreement**" means the agency agreement entered into by the Issuer, the Servicer, the Corporate Services Provider, the Security Trustee, the Calculation Agent, the Paying Agent and Interest Determination Agent, Registrar, and the Note Trustee on or about the Signing Date, under which, among other things, the Issuer has appointed the Paying Agent and the Interest Determination Agent to act as paying agent and interest determination agent with respect to the

Notes and to forward payments to be made by the Issuer under the Notes to the Clearing Systems and to determine the relevant Applicable Benchmark Rate.

"**Aggregate Outstanding Note Principal Amount**" means the aggregate of the Outstanding Note Principal Amount of a Class of Notes on a Payment Date (taking into account the principal redemption on such Payment Date).

"**Aggregate Outstanding Receivables Amount**" means on the Cut-Off Date and on any Determination Date the aggregate of the Outstanding Receivables Amount of all Purchased Receivables.

"**Alternative Benchmark Rate**" has the meaning given to that term in Condition 12(b)(ii)(7) (*Amendments and waiver*).

"**Ancillary Rights**" means, in relation to a Receivable all rights of the Seller associated with such Receivable including:

(a) all rights to receive and obtain payment under the Financing Contract for such Receivable including the right to demand, sue for, recover, receive and give receipts for all amounts due and to become due whether or not from Obligors or guarantors under or relating to the Financing Contract to which such Receivable relates and all guarantees (if any);

(b) the benefit of:

  (i) all covenants and undertakings from Obligors and from guarantors relating to the Financing Contract to which such Receivable arises and under all guarantees;

  (ii) all causes and rights of actions against Obligors and guarantors under and relating to the Financing Contract to which such Receivable relates and under and relating to all guarantees (if any);

  (iii) any other rights, title, interest, powers and benefits of the Seller into, under, pursuant to or in relation to such Financing Contract other than, save as otherwise provided in (d), rights specifically relating to the Vehicle itself (with such rights specifically relating to the Vehicle including, without limitation, the right of ownership);

(c) the right to any Insurance Proceeds received by the Seller or its agents pursuant to any Insurance Claims arising in respect of the Financing Contract to which such Receivable and the benefit of any other rights the Seller may have under any insurance policy in respect of the Vehicle to which such Receivable relates; and

(d) the benefit of any rights, title, interest, powers and benefits of the Seller in and to Vehicle Sale Proceeds,

including, in each case, all monies derived therefrom.

"**Applicable Benchmark Rate**" has the meaning given to that term in Condition 4(c)(i).

"**Arranger**" means Banco Santander, S.A.

"**Available Distribution Amount**" means, with respect to any Payment Date, the sum of:

(a) the Collections received during the immediately preceding Collection Period;

(b) the amount standing to the credit of the General Reserve Account, including any realisation proceeds from Eligible Securities;

(c) the Net Swap Receipts payable by the Swap Counterparty to the Issuer on the Payment Date; and

(d) any other amount standing to the credit of the Distribution Account (other than the Retained Profit Ledger), including any interest accrued on such amounts.

"**Balloon Receivable**" means, in relation to a PCP Contract, the Optional Final Payment and the related administrative fees payable under that PCP Contract and in relation to a HP Contract the final instalment, if that is a balloon instalment payable under that HP Contract.

"**Bank Account Agreement**" means the bank account agreement entered into by the Issuer, the Account Bank and the Security Trustee on or about the Signing Date in which the Issuer has appointed the Account Bank to establish and operate the Issuer Transaction Accounts under the Transaction SA UK 2020-2 Documents.

"**Benchmark Rate Modification**" has the meaning given to that term in Condition 12(b)(ii)(7) (*Amendments and waiver*).

"**Benchmark Rate Modification Certificate**" has the meaning given to that term in Condition 12(b)(ii)(7) (*Amendments and waiver*).

"**Benchmark Regulation**" means the Benchmark Regulation (Regulation (EU) 2016/1011).

"**Book-Entry Interests**" means the beneficial interests in the Global Notes recorded by Euroclear and Clearstream, Luxembourg.

"**Business Day**" means any day on which commercial banks and foreign exchange markets settle payments and are generally open for business in Frankfurt, London, Luxembourg and Stuttgart.

"**Business Day Convention**" means that if any due date specified in a Transaction SA UK 2020-2 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 (*Modified Following Business Day Convention*).

"**Calculation Agency Agreement**" means the calculation agency agreement entered into by the Issuer, the Servicer, the Calculation Agent and the Security Trustee on or about the Signing Date, in which the Issuer has appointed the Calculation Agent to (i) provide certain information to the Servicer for completion of the Monthly Report, and (ii) verify the plausibility, completeness and consistency of the Monthly Report based on the information received from the Servicer. In addition, the Calculation Agent is responsible for publishing the Monthly Investor Report not later than on the Calculation Date and performs certain cash management duties including payment instructions to the Account Bank to make the payments due on the respective Payment Date.

"**Calculation Agent**" means Elavon Financial Services DAC, any successor thereof or any other Person appointed as replacement calculation agent from time to time in accordance with the Calculation Agency Agreement.

"**Calculation Agent Representations and Warranties**" means the Calculation Agent representations and warranties set out in Schedule 9 of the Incorporated Terms Memorandum.

"**Calculation Date**" means in relation to each Collection Period the 2nd Business Day preceding the relevant Payment Date.

"**CCA**" means the Consumer Credit Act 1974, as amended by the Consumer Credit Act 2006 and associated secondary legislation.

"**Class**" means the Class A Notes and/or the Class B Notes as the context may require.

"**Class A Interest Amount**" means on each Payment Date, the amount of interest payable pursuant to Condition 4(e) in respect of the Class A Notes held by a Class A Noteholder on such Payment Date.

"**Class A Interest Rate**" has the meaning given to it in Condition 4(c).

"**Class A Interest Shortfall**" has the meaning given to it in Condition 6(a) (*Additional interest and subordination*).

"**Class A Noteholders**" means the holders of the Class A Notes.

"**Class A Notes**" means the floating rate Class A Compartment Silver Arrow UK 2020-2 Notes due 2026 which are issued on the Issue Date in an initial Aggregate Outstanding Note Principal Amount of GBP 500,000,000.00.

"**Class A Principal Redemption Amount**" means on each Payment Date prior to the issuance of an Enforcement Notice the lower of:

(a) an amount equal to the Aggregate Outstanding Note Principal Amount of the Class A Notes on the preceding Payment Date (or in case of the first Payment Date, the Issue Date); and

(b) the Required Principal Redemption Amount on such Payment Date.

"**Class B Interest Amount**" means on each Payment Date, the amount of interest payable pursuant to Condition 4(c) in respect of the Class B Notes held by a Class B Noteholder on such Payment Date.

"**Class B Interest Rate**" has the meaning given to it in Condition 4(c).

"**Class B Interest Shortfall**" has the meaning given to it in Condition 6(b) (*Additional interest and subordination*).

"**Class B Noteholders**" means the holders of the Class B Notes.

"**Class B Notes**" means the fixed rate Class B Compartment Silver Arrow UK 2020-2 Notes due 2026 which are issued on the Issue Date in an initial Aggregate Outstanding Note Principal Amount of GBP 176,000,000.00.

"**Class B Principal Redemption Amount**" means on each Payment Date prior to the issuance of an Enforcement Notice the lower of:

(a) an amount equal to the Aggregate Outstanding Note Principal Amount of the Class B Notes on the preceding Payment Date (or in case of the first Payment Date, the Issue Date); and

(b) the difference between:

(i) the Required Principal Redemption Amount on such Payment Date; and

(ii) the Class A Principal Redemption Amount on such Payment Date.

"**Class of Notes**" means each of the Class A Notes and the Class B Notes.

"**Clean-Up Call**" means the Seller's option under the Receivables Purchase Agreement on any Payment Date: (a) following the Determination Date on which the Aggregate Outstanding Receivables Amount is less than 10% of the Aggregate Outstanding Receivables Amount at the Cut-Off Date; or (b) on which the Class A Notes including any interest accrued but unpaid thereon are redeemed in full, to acquire all outstanding Purchased Receivables against payment of the Repurchase Price subject to the Clean-Up Call Conditions being satisfied.

"**Clean-Up Call Conditions**" means the following conditions:

(a) the Repurchase Price, together with the funds credited to the General Reserve Account and the Operating Account, being at least equal to the sum of: (i) the aggregate Outstanding Note Principal Amount of all Notes; plus (ii) accrued interest thereon; plus (iii) all claims of any creditors of the Issuer in respect of Compartment Silver Arrow UK 2020-2 ranking prior to the claims of the Noteholders according to the applicable Priority of Payments; and

(b) the Seller having notified the Issuer of its intention to exercise the Clean-Up Call at least 10 days prior to the contemplated settlement date of the Clean-Up Call.

"**Clearing Systems**" means Clearstream Banking, société anonyme, Euroclear Bank S.A./N.V., 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, *société anonyme*, and any successor thereto.

"**Collection Account Declaration of Trust**" means the trust declared by MBFS on 5 October 2017 in favour of Silver Arrow S.A., acting in respect of its Compartment Silver Arrow UK 2017-1 and MBFS over the aggregate amount standing to the credit of the Seller Collection Account.

"**Collection Period**" means: (a) the period from, but excluding, the Cut-Off Date to, and including, the first Determination Date, and (b) thereafter, each period from, but excluding, a Determination Date to, and including, the next following Determination Date.

"**Collections**" means, without double counting:

(a) all amounts received by the Seller or the Servicer with respect to all Purchased Receivables and credited by the Servicer to the Operating Account;

(b) any amounts received by the Seller or the Servicer in respect of the Ancillary Rights (including, but not limited to, Insurance Proceeds);

(c) any other amounts received by the Seller (including any Vehicle Sale Proceeds) net of any expense of recovery, repair and sale in accordance with the Credit and Collection Policy, in connection with the sale or other disposition of a Vehicle relating to a Purchased Receivable;

(d) any Recovery Collections received by the Seller or the Servicer in respect of any Purchased Receivable that is also a Defaulted Receivable; and

(e) any Repurchase Price and PCP/VT Deficit Amount paid by the Seller,

in each case other than any Excluded Amounts.

"**Commingling Condition**" means:

(a) in respect of DBRS, either (A) the long-term unsecured, unsubordinated and unguaranteed debt obligations of MBFS are assigned a rating of at least BBB(low) by DBRS or (B) the long-term unsecured debt of Daimler Aktiengesellschaft (or any of its successors as holder, directly or indirectly, of 100% of the share capital in the Servicer) is rated at least BBB(low) from DBRS; and

(b) in respect of Fitch, either (A) the long-term unsecured, unsubordinated and unguaranteed debt obligations of MBFS are assigned a rating of at least "BBB" by Fitch or (B) the short-term unsecured, unsubordinated and unguaranteed debt obligations of MBFS are assigned a rating of at least "F2" by Fitch or (C) the long-term unsecured debt of Daimler Aktiengesellschaft is rated at least "BBB" from Fitch or (D) the short-term unsecured, unsubordinated and unguaranteed debt obligations of Daimler Aktiengesellschaft are assigned a rating of at least "F2" by Fitch; and

(c) Daimler Aktiengesellschaft owns, directly or indirectly, 100% of the share capital of MBFS in its capacity as the Seller and Servicer, and the profit and loss transfer agreement between Daimler Aktiengesellschaft and MBFS in its capacity as the Seller and the Servicer remains in place.

"**Common Depositary**" means Elavon Financial Services DAC in respect of the Class B Notes.

"**Common Safekeeper**" or "**CSK**" means the entity appointed by the ICSDs to provide safekeeping for the Class A Notes in NSS form.

"**Common Services Provider**" or "**CSP**" means the Elavon Financial Services DAC, any successor thereof or any other entity appointed by the ICSDs to provide asset servicing for the Notes in NSS form.

"**Common Terms**" means the provisions set out in Schedule 2 of the Incorporated Terms Memorandum.

"**Company**" means Silver Arrow S.A.

"**Compartment**" means a compartment of the Company within the meaning of the Luxembourg Securitisation Law.

"**Compartment Silver Arrow UK 2020-2**" means a Compartment of the Company created on 28 October 2020 and designated for the purposes of Transaction UK 2020-2 and named 'Compartment Silver Arrow UK 2020-2'.

"**Compounded Daily SONIA**" has the meaning given to it in Condition 4(d)(ii) (*SONIA*).

"**Conditions**" means the terms and conditions of the Notes (which terms and conditions are set out in the Prospectus).

"**Controlling Class**" means the holders of Class A Notes as long as any Class A Notes are outstanding. After the Class A Notes are paid in full, the holders of the Class B Notes.

"**Corporate Services Agreement**" means the domiciliation, management and administration agreements entered into by the Company (and relating to all Compartments of the Company) and the Corporate Services Provider, dated 25 March 2019 and effective as of 1 January 2019, as amended from time to time, pursuant to which the Company has appointed the Corporate Services Provider to perform certain services for the Company in accordance with the Company's articles of incorporation.

"**Corporate Services Provider**" means Intertrust (Luxembourg) S.à r.l.

"**CRA Regulation**" means (a) 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 and (b) all applicable laws, regulations, rules, guidance or implementing measures in the UK, and including from the date when the UK withdrawal has come into effect, the applicable successor laws, regulations, rules and other relevant measure.

"**CRA15**" means the Consumer Rights Act 2015.

"**CRD**" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

"**CRD IV–Package**" means CRD and CRR.

"**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, as amended by Regulation (EU) No 648/2012.

"**CSSF**" means the Commission de Surveillance du Secteur Financier of Luxembourg.

"**Credit and Collection Policy**" means the policies, practices and procedures of the Seller relating to the origination and collection of the Receivables (together with their Ancillary Rights), as modified from time to time in accordance with the Servicing Agreement.

"**Credit Support Annex**" means the credit support annex to the ISDA Master Agreement executed in accordance with the provisions of the Swap Agreement.

"**Current Receivable**" means, either:

(a) for the purpose of the Monthly Report, a Receivable which is not either overdue or is overdue by no more than one instalment, and payment in respect of such instalment is received within five (5) calendar days of the due date of such Receivable; or

(b) as at the Cut-Off Date and for the purposes of the definition of Delinquent Receivable, a Receivable which is not overdue.

"**Custodian**" means Elavon Financial Services DAC, any successor thereof or any other Person appointed as replacement custodian from time to time in accordance with the Custody Agreement.

"**Custody Agreement**" means the custody agreement entered into by the Issuer and the Custodian on or about the Signing Date, under which the Issuer has appointed the Custodian to provide certain services in relation to the establishment and management of the Eligible Securities Account in case all or part of the General Reserve Required Amount is provided in the form of Eligible Securities and/or the Swap Counterparty posts securities as collateral upon the occurrence of a downgrade event in accordance with the Swap Agreement.

"**Cut-Off Date**" means 31 October 2020.

"**Data Protection Laws**" means the GDPR, the Privacy and Electronic Communications (EC Directive) Regulations 2003, the Data Protection Act 2018, and all other applicable data protection and data privacy laws and regulations including where applicable the guidance and codes of practice issued by the Information Commissioner, and other applicable legislation in the jurisdiction in which the Services are being provided.

"**Data Trust Agreement**" means the data trust agreement entered into by the Seller, the Servicer, the Data Trustee, the Security Trustee and the Issuer on or about the Signing Date, in respect of Compartment Silver Arrow UK 2020-2, according to which the Seller will deliver to the Data Trustee the Decryption Key relating to certain encrypted Portfolio Information received by the Issuer from the Seller under the Receivables Purchase Agreement.

"**Data Trustee**" means Data Custody Agent Services B.V..

"**Day Count Fraction**" means in respect of an Interest Period, the actual number of days in such Interest Period divided by 365.

"**DBRS**" means DBRS Ratings Limited and any successor to the debt rating business thereof.

"**DBRS Critical Obligations Rating**" or "**COR**" means, in relation to a relevant entity, the rating assigned by DBRS which addresses the risk of default of particular obligations and/or exposures of the relevant entity that in the view of DBRS have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations. If a COR assigned by DBRS to the relevant entity is public, it will be indicated on the website of DBRS (www.dbrs.com).

"**DBRS Equivalent Chart**" means:

DBRS	Moody's	S&P	Fitch
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+

BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC
CCC	Caa2	CCC	
CCC(low)	Caa3	CCC-	
CC	Ca	CC	
		C	
D	C	D	D

"**DBRS Equivalent Rating**" means: (i) if a Fitch public rating, a Moody's public rating and an S&P public rating are all available, (a) the remaining rating (upon conversion on the basis of the DBRS Equivalent Chart) once the highest and the lowest rating have been excluded or (b) in the case of two or more same ratings, any of such ratings (upon conversion on the basis of the DBRS Equivalent Chart); (ii) if the DBRS Equivalent Rating cannot be determined under paragraph (i) above, but public ratings by any two of Fitch, Moody's and S&P are available, the lower rating available (upon conversion on the basis of the DBRS Equivalent Chart); and (iii) if the DBRS Equivalent Rating cannot be determined under (i) or (ii) above, and therefore only a public rating by one of Fitch, Moody's and S&P is available, such rating will be the DBRS Equivalent Rating (upon conversion on the basis of the DBRS Equivalent Chart).

"**Decryption Key**" means a password allowing in the circumstances specified in the Data Trust Agreement, to decrypt certain encrypted Portfolio Information relating to the Purchased Receivables.

"**Deed of Charge**" means the deed of charge dated on or about the Issue Date between, *inter alios*, the Issuer and the Security Trustee.

"**Defaulted Receivable**" means any Purchased Receivable relating to a Financing Contract:

(a) in respect of which, on the Determination Date falling on the last day of a Collection Period, the Obligor will, on the Determination Date relating to the immediately preceding Collection Period, be six (6) or more (not necessarily consecutive) instalments in arrears **provided that**, for the purposes of determining whether an instalment is in arrears, the payment of an instalment within five (5) calendar days of the due date shall not be treated as an instalment in arrears, or, if earlier,

(b) which has been declared defaulted in accordance with the Credit and Collection Policy.

"**Deferred Consideration**" means on any Payment Date, an amount equal to (a) with respect to the Pre-enforcement Priority of Payments the remaining amount of the Available Distribution Amount after payment of the amounts *first* to *fifteenth* and (b) with respect to the Post-enforcement Priority of Payments the remaining amount of the Available Distribution Amount after payment of the amounts *first* to *fourteenth*.

"**Delinquent Receivable**" means any Purchased Receivable which is not a Current Receivable or a Defaulted Receivable.

"**Determination Date**" means the last calendar day of each calendar month. The first Determination Date will be 31 December 2020.

"**Direct Debit**" means a written instruction of an Obligor authorising its bank to honour a request of MBFS to debit a sum of money on specified dates from the account of the Obligor for credit to an account of MBFS.

"**Distribution Account**" means the distribution account of the Issuer opened on or before the Signing Date with the Account Bank with the separate Retained Profit Ledger or any successor account.

"**Draft STS Notification**" means the draft STS Notification made available prior to pricing in accordance with Article 7 of the Securitisation Regulation.

"**Early Settlement**" means where (i) the Obligor of a Purchased Receivable requests that it is allowed, on payment of the requested early settlement amount calculated in accordance with the Credit and Collection Policy, to terminate the Financing Contract and (ii) the requested early settlement amount is paid in accordance with the Credit and Collection Policy with the result that no further liability exists from the Obligor under the Financing Contract that is the subject of the early settlement request.

"**Early Settlement Regulations**" means the Consumer Credit (Early Settlement) Regulations 2004.

"**EBA Guidelines on STS Criteria**" means the guidelines on the criteria of simplicity, transparency and standardisation adopted by EBA on 12 December 2018 pursuant to the Securitisation Regulation and named "*Guidelines on the STS criteria for non-ABCP securitisation*".

"**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 Appendix 1 to Schedule 3, Part 3 of the Incorporated Terms Memorandum and being relevant as of the Cut-Off Date.

"**Eligible Receivable**" means a Receivable that satisfies the Eligibility Criteria.

"**Eligible Securities**" means sovereign securities which:

(a) are rated at least (i) 'AA' and higher by DBRS and (ii) 'AA' and higher by Fitch;

(b) are denominated in Sterling and issued by the United Kingdom;

(c) have a remaining maturity of at least thirty (30) calendar days;

(d) are immediately repayable on demand, disposable without penalty or loss (including, without limitation, market value loss) or have a maturity date falling at least one Business Day before the next following Payment Date;

(e) provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and

(f) constitute "cash equivalents" as contemplated by the Volcker Rule,

provided that such Eligible Securities exclude, for the avoidance of doubt, tranches of other asset backed securities, credit-linked notes, swaps or other derivatives instruments, synthetic securities or similar claims.

"**Eligible Securities Account**" means the securities account opened in the name of the Issuer, into which (i) Eligible Securities provided as part of the General Reserve Required Amount and/or (ii)

securities posted as collateral by the Swap Counterparty in accordance with the Swap Agreement will be deposited from time to time.

"**Eligible Swap Counterparty**" means with respect to the Swap Counterparty or any guarantor of the Swap Counterparty, respectively, any entity:

(a) the long-term unsecured, unguaranteed and unsubordinated debt obligations of which are rated by DBRS, or the DBRS Critical Obligations Rating of which is, at least (i) "A" or (ii) "BBB" and which posts collateral in the amount and manner set forth in the Swap Agreement; or which obtains a guarantee from an entity the long-term unsecured, unguaranteed and unsubordinated debt obligations of which have the ratings set forth in (i) or (ii) above and, in the case of a rating required pursuant to (ii), posts collateral in the amount and manner set forth in the Swap Agreement; or in each case, if the relevant entity's long-term unsecured, unguaranteed and unsubordinated debt obligations are not rated by DBRS, such debt obligations have at least a DBRS Equivalent Rating corresponding to the ratings required pursuant to (i) or (ii) above, respectively; and

(b) having(i)(a) a short-term, issuer default rating by Fitch of at least F1; or (b) either a derivative counterparty rating ("**DCR**") (if assigned and applicable) or long-term issuer default rating by Fitch of at least A or (ii)(a) a short-term, issuer default rating by Fitch of at least F3; or (b) either a DCR (if assigned and applicable) or long-term issuer default rating by Fitch of at least BBB- and which posts collateral in the amount and manner set forth in the Swap Agreement, or which obtains a guarantee from an entity with the ratings set forth in (i) or (ii) above and, in the case of a rating required pursuant to (ii), posts collateral in the amount and manner set forth in the Swap Agreement.

"**End of Contract Fees**" means any administrative fees payable by an Obligor to the Seller at the end of a PCP Contract.

"**Enforcement Event**" means the event that an Issuer Event of Default has occurred and the Note Trustee has served an Enforcement Notice on the Issuer.

"**Enforcement Notice**" means the written notice served by the Note Trustee on the Issuer upon the occurrence of an Issuer Event of Default, with a copy to each of the Secured Parties in accordance with the Trust Deed.

"**English Transaction SA UK 2020-2 Documents**" means, the Conditions, the Trust Deed, the Deed of Charge, the Agency Agreement, the Bank Account Agreement, the Calculation Agency Agreement, the Receivables Purchase Agreement, the Servicing Agreement, the Data Trust Agreement, the Global Notes representing the Notes, the Incorporated Terms Memorandum, the Subordinated Loan Agreement, the Custody Agreement, the Supplemental Collection Account Declaration of Trust, the Swap Agreement and any other agreement entered into between the Transaction Parties from time to time which designated as an "English Transaction SA UK 2020-2 Document" by the parties thereto and which is governed by and shall be construed in accordance with English law.

"**ESMA**" means the European Securities Markets Authority.

"**EU Insolvency Regulation**" means Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast).

"**EU Retention Requirements**" means the retention of a material net economic interest of not less than 5% in the securitisation as required by Article 6 of the 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.

"**Euroclear**" means Euroclear Bank S.A./N.V. as operator of the Euroclear System and any successor thereto.

"**Eurosystem**" comprises the European Central Bank and the national central banks of those countries that have adopted the euro.

"**Event of Default**" has the meaning given to it in Condition 10 (*Events of Default*) of the Notes.

"**Excess Swap Collateral**" means any Return Amount (as such term is defined in the Credit Support Annex) which the Swap Counterparty is entitled to have returned to it under the terms of the Swap Agreement.

"**Excluded Amounts**" means:

(a) amounts arising under a Financing Contract in respect of (a) charges payable as a result of a late payment of a Purchased Receivable owing under such Financing Contract or late return of a Financed Vehicle to MBFS, (b) fees for any extension of the term of that Financing Contract, and (c) any other administrative fees payable under that Financing Contract (other than charges for incomplete service history or missing vehicle holder's certificate on return of the Financed Vehicle);

(b) any credit protection, asset value or other insurance premiums payable by Obligors to the relevant insurers via MBFS; and

(c) any VAT rebates received by MBFS in respect of the sale of any Vehicles relating to Purchased Receivables.

"**Extraordinary Resolution**" has the meaning given to it in Condition 12 (*Meetings of Noteholders, modifications, waiver, substitution and exchange*).

"**FATCA**" means:

(a) sections 1471 to 1474 of the US Internal Revenue Code or any associated regulations;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

"**FATCA Costs**" means any costs or expenses relating to compliance with or implementation of FATCA.

"**FATCA Deduction**" means a deduction or withholding from a payment under a Transaction SA UK 2020-2 Document required by FATCA.

"**FATCA Exempt Party**" means a party to the Transaction SA UK 2020-2 Documents that is entitled to receive payments free from any FATCA Deduction.

"**FCA**" means the Financial Conduct Authority of the United Kingdom.

"**FCA Handbook**" means the handbook of rules promulgated by the FCA under FSMA as amended or replaced from time to time.

"**Final Discharge Date**" means the date on which the Security Trustee notifies the Transaction Parties that the Secured Obligations have been fully satisfied.

"**Financed Vehicle**" means any passenger car or commercial vehicle financed under a Financing Contract.

"**Financial Statements**" means, with reference to a company's financial year, the audited financial statements relating to that year in such form as will comply with all relevant law and regulations applicable to it.

"**Financing Contract**" means an agreement for the provision of credit for the purchase of motor vehicles, taking the form of an HP Contract or a PCP Contract, between MBFS and an Obligor

under which the Obligor makes Periodic Payments to MBFS in respect of its use of the Vehicle and under which title to the Vehicle remains with MBFS unless and until all payments (including, in the case of a PCP Contract), the Optional Final Payment, have been made by the Obligor.

"**Fitch**" means Fitch Ratings Limited.

"**Force Majeure Event**" means an event beyond the reasonable control of the person affected including, strike, lock-out, sit-in, labour dispute, act of God, war, insurrection, riot, epidemic, civil commotion, governmental directions and regulations, malicious damage, accident, breakdown of plant of machinery, computer software, hardware or system failure, earthquake, fire, flood, storm and other circumstances affecting the supply of goods or services.

"**GBP**", "**Sterling**" or "**£**" means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

"**GDPR**" means Regulation (EU) 2016/679 of the European Parliament and the Council of 27 April 2016.

"**General Reserve Account**" means the general reserve account of the Issuer opened on or before the Signing Date with the Account Bank or any successor account, with a balance of GBP 5,408,000.00 as of the Issue Date, credited on the Purchase Date by the Seller from the Subordinated Loan proceeds received on such date.

"**General Reserve Required Amount**" means:

(a) as long as the Aggregate Outstanding Receivables Amount is greater than zero on the Determination Date preceding such Payment Date, GBP 5,408,000.00; and

(b) otherwise, zero,

or such higher amount as may be determined by the Issuer (or the Servicer on its behalf) from time to time.

"**GFV**" means, in relation to a PCP Contract, the guaranteed future value of the relevant Vehicle agreed when that PCP Contract was entered into and calculated on the basis of the vehicle specification (model and equipment), the term of the PCP Contract and mileage.

"**Global Note**" means the global note, 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 form set out in Schedule 1 (*Forms of the Notes*) to the Trust Deed.

"**Governmental Authority**" means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any body or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to a government, including without limitation any court, and any Person owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing including for the avoidance of doubt the FCA.

"**HP Contract**" means any hire purchase agreement entered into between MBFS and an Obligor.

"**ICSD**" or "**International Central Securities Depositary**" means Clearstream Luxembourg or Euroclear, and "ICSDs" means both Clearstream Luxembourg and Euroclear collectively.

"**Incorporated Terms Memorandum**" means the memorandum so named dated on or about the Signing Date and signed for the purpose of identification by each of the parties to the Transaction SA UK 2020-2 Documents.

"**Indemnified Person**" has the meaning given to it in clause 10.4 of the Incorporated Terms Memorandum.

"Initial Purchase Price" means the purchase price, payable by the Issuer to the Seller on the Issue Date, which equals the Aggregate Outstanding Receivables Amount of the Receivables (together with their Ancillary Rights) on the Cut-Off Date, being £675,999,341.35.

"**Inside Information Report**" means the report to be prepared and delivered by the Servicer pursuant to the Servicing Agreement upon the occurrence of an event triggering the existence of any inside information as referred to in Article 7(1)(f) and (g) of the Securitisation Regulation and the applicable Regulatory Technical Standards.

"**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 LPA), receiver or manager, nominee, supervisor, trustee in bankruptcy, conservator, guardian or other similar official in respect of such company or in respect of all (or substantially all) of the company's assets or in respect of any arrangement or composition with creditors or any equivalent or analogous officer under the law of any jurisdiction.

"**Insolvent**" means, with respect to the Company, the Seller, the Servicer, the Security Trustee, or any Obligor as the case may be, each of the following events or circumstances:

(a) the making of an assignment, assignation, trust, conveyance, composition of assets for the benefit of its creditors generally or any substantial portion of its creditors;

(b) the application for, filing of and/or seeking of, consents to, or acquiescence in, the appointment of a receiver, trustee, liquidator, administrator or similar official for it or a substantial portion of its property;

(c) the initiation of any case, action or proceedings before any court or Governmental Authority against the Company, the Seller, the Servicer, the Security Trustee or any Obligor under any applicable liquidation, administration, insolvency, composition, bankruptcy, receivership, dissolution, reorganisation, winding-up, relief of debtors or other similar laws and such proceedings are not being disputed in good faith with a reasonable prospect of discontinuing or discharging the same;

(d) the levy or enforcement of a distress, diligence or execution or other process upon or sued out against the whole or any substantial portion of the undertaking or assets of the Company, the Seller, the Servicer, the Security Trustee or any Obligor and such possession or process (as the case may be) shall not be discharged or otherwise shall not cease to apply within sixty (60) days;

(e) initiation or consent to any case, action or proceedings in any court or Governmental Authority relating to the Company, the Seller, the Servicer, the Security Trustee or any Obligor under any applicable liquidation, administration, insolvency, composition, bankruptcy, receivership, dissolution, reorganisation, winding-up, relief of debtors or other similar laws;

(f) filing of a petition or answer seeking reorganisation, liquidation, administration, dissolution or similar relief under any applicable statute, law or regulation in any jurisdiction;

(g) an order is made against the Company, the Seller, the Servicer, the Security Trustee or any Obligor or an effective resolution is passed for its winding-up; and

(h) the Company, the Seller, the Servicer, the Security Trustee or any Obligor is deemed generally unable to pay its debts within the meaning of any liquidation, insolvency, composition, reorganisation or other similar laws in the jurisdiction of its incorporation or establishment (**provided that**, for the avoidance of doubt, any assignment, assignation, charge, pledge or lien made by the Issuer for the benefit of the Security Trustee under the Deed of Charge shall not mean the Issuer is Insolvent).

"**Insurance Claims**" means any claims against any car insurer in relation to any damaged or stolen Vehicle.

"**Insurance Proceeds**" means any cash proceeds or other monetary benefit in respect of any Insurance Claims.

"**Interest Determination Agent**" means Elavon Financial Services DAC, any successor thereof or any other Person appointed as replacement interest determination agent from time to time in accordance with the Agency Agreement.

"**Interest Determination Date**" means the date falling five (5) Business Days prior to the end of each Interest Period.

"**Interest Period**" means in respect of the first Payment Date, the period commencing on (and including) the Issue Date and ending on (but excluding) the first Payment Date, and, in respect of any subsequent Payment Date, the period commencing on (and including) the immediately preceding Payment Date and ending on (but excluding) such Payment Date.

"**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.

"**ISDA Master Agreement**" means the ISDA 2002 Master Agreement (including the schedule and the Credit Support Annex thereto) dated on or about the Signing Date and made between the Issuer and the Swap Counterparty.

"**Issue Date**" means 20 November 2020.

"**Issue Outstanding Amount**" or "**IOA**" means, in respect of the Class A Notes held under the new safekeeping structure ("**NSS**"), the total outstanding indebtedness of the Issuer as determined from time to time by reference to the Register.

"**Issuer**" means Silver Arrow S.A., a company incorporated as a public limited liability company (*société anonyme*) under the laws of the Grand Duchy of Luxembourg as an unregulated securitisation company (*société de titrisation*) within the meaning of, and governed by, the Luxembourg Securitisation Law and registered with the Luxembourg register of commerce and companies under registration number B111.345 and having its registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg, acting in respect of its Compartment Silver Arrow UK 2020-2.

"**Issuer Event of Default**" means any of the following events:

(a) the Issuer becomes Insolvent;

(b) a default occurs in the payment of interest on any Payment Date in respect of the most senior class of Notes (and such default is not remedied within two (2) Business Days of its occurrence), subject to, in the case of payments on the Class B Notes only, the availability of the Available Distribution Amount to be paid in accordance with the Pre-enforcement Priority of Payments;

(c) the Issuer fails to perform or observe any of its other material obligations under the Conditions or the Transaction SA UK 2020-2 Documents (other than the Subordinated Loan Agreement) and such failure continues for a period of thirty (30) days following written notice from the Note Trustee or any other Secured Parties; or

(d) 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).

"**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 Share Capital Account**" means the account initially maintained with Banque Générale du Luxembourg, in the name of the Company, with account no. IBAN LU14 0081 5581 3700 1003; and since 31 August 2009, the account maintained with Société Générale Frankfurt, in the name of the Company, with account no. 1495 0176 92 and IBAN DE 8651 2108 0014 9501 7692, which, for the avoidance of doubt, will remain at all times an account separate from the Issuer Transaction Accounts.

"**Issuer Transaction Accounts**" means the General Reserve Account, the Operating Account, the Swap Collateral Account and the Distribution Account (and in the case of the Distribution Account including the Retained Profit Ledger) of the Issuer opened on or before the Signing Date with the Account Bank.

"**Lead Manager**" means Banco Santander, S.A.

"**Legal Maturity Date**" means the Payment Date falling in December 2026.

"**Liabilities**" means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever including reasonable legal fees and any taxes and penalties incurred by that person, together with any VAT charged or chargeable in respect of any of the sums referred to in this definition.

"**Loan Level Data**" means the loan level data setting out the information required by paragraph (a) of Article 7(1) of the Securitisation Regulation and the applicable Regulatory Technical Standards to be prepared by the Servicer and delivered to the Reporting Entity, on each Reporting Date pursuant to the Servicing Agreement.

"**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.

"**Luxembourg**" means the Grand Duchy of Luxembourg.

"**Luxembourg Companies Law**" means the Luxembourg law on commercial companies of 10 August 1915, as amended.

"**Luxembourg Securitisation Law**" means the Luxembourg law on securitisation of 22 March 2004, as amended.

"**Luxembourg Stock Exchange**" means Société de la Bourse de Luxembourg.

"**Master Definitions Schedule**" means Schedule 1 of the Incorporated Terms Memorandum.

"**Material Adverse Effect**" means:

(a) a material adverse effect on the validity or enforceability of any of the Transaction SA UK 2020-2 Documents; or

(b) in respect of a Transaction Party, a material adverse effect on:

  (i) the business, operations, assets property, condition (financial or otherwise) or prospects of such Transaction Party; or

  (ii) the ability of such Transaction Party to perform its obligations under any of the Transaction SA UK 2020-2 Documents; or

  (iii) the rights or remedies of such Transaction Party under any of the Transaction SA UK 2020-2 Documents; or

(c) in the context of the Purchased Receivables, a material adverse effect on the interests of the Issuer or the Security Trustee in the Purchased Receivables or on the ability of the Security Trustee to enforce the Security.

"**MBFS**" means Mercedes-Benz Financial Services UK Limited.

"**MBFS Power of Attorney**" means the power of attorney granted in favour of the Issuer pursuant to the Receivables Purchase Agreement.

"**MBUK (Cars)**" means Mercedes-Benz Cars UK Limited.

"**MBUK (Vans)**" means Mercedes-Benz Vans UK Limited.

"**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)(ii)(12) (*Amendments and waiver*).

"**Modification Record Date**" has the meaning given to that term in Condition 12(b)(ii)(12) (*Amendments and waiver*).

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

"**Monthly Investor Report**" means the monthly investor report to be published by the Calculation Agent not later than on the Calculation Date on the Calculation Agent's website and electronically mailed to a predefined distribution list which includes the information on the performance of the Portfolio as well as the related information with regards to the payments to be made on the following Payment Date under the Notes, in accordance with the Calculation Agency Agreement. Such Monthly Investor Report is substantially in the form as set out in Schedule 2 to the Calculation Agency Agreement.

"**Monthly Report**" means the monthly report to be prepared by the Servicer and sent to the Issuer and the Calculation Agent not later than on the Reporting Date, which includes the information on the performance of the Portfolio in relation to the Collection Period immediately preceding the Reporting Date, the related information with regards to the payments to be made on the following Payment Date under the Notes, as well as the information required to be provided by paragraph (e) of Article 7(1) of the Securitisation Regulation and the applicable Regulatory Technical Standards, in accordance with the Servicing Agreement. Such Monthly Report is substantially in the form of the Monthly Investor Report as set out in Schedule 2 to the Calculation Agency Agreement.

"**Moody's**" means Moody's Investor Services Limited and any successor to the debt rating business thereof.

"**Net Swap Payments**" means the higher of:

(a) zero; and

(b) the difference between (i) the amounts due by the Issuer to the Swap Counterparty, other than costs in connection with a termination of the Swap Agreement and (ii) the amounts due by the Swap Counterparty to the Issuer, other than costs in connection with a termination of the Swap Agreement.

"**Net Swap Receipts**" means the higher of:

(a) zero; and

(b) the difference between (i) the amounts due by the Swap Counterparty to the Issuer, other than costs in connection with a termination of the Swap Agreement and (ii) the amounts due by the Issuer to the Swap Counterparty, other than costs in connection with a termination of the Swap Agreement.

"**Note Purchaser**" means Banco Santander, S.A.

"**Note Trustee**" means Wilmington Trust SP Services (Frankfurt) GmbH, including its successors and assigns.

"**Noteholder**" or "**Holder**" means the person in whose name such Note is registered at that time in the Register 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 (each an "**Accountholder**") in units of £1,000 principal amount of Notes for all purposes other than in respect of the payment of principal and interest on such Notes, the right to which will be vested as against the Issuer solely in the Holder of each Global Note in accordance with and subject to its terms.

"**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 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.

"**Obligor Notification Event**" means a Servicer Termination Event or a Severe Deterioration Event has occurred.

"**Obligor Notification Event Notice**" means in respect of a Purchased Receivable a notice sent to the Obligors of the Purchased Receivables stating that such Purchased Receivable has been assigned by the Seller to the Issuer pursuant to the Receivables Purchase Agreement and instructing the Obligors to make payments to the Operating Account or any other account compliant with the Transaction SA UK 2020-2 Document and shall be in a form substantially as set out in Schedule 4 to the Receivables Purchase Agreement.

"**Offer**" means an offer in written or electronic form meeting the requirements set out in the Receivables Purchase Agreement. The Offer delivered pursuant to the Receivables Purchase Agreement shall contain:

(a) the Aggregate Outstanding Receivables Amount (as on the Cut-Off Date) of the Receivables offered;

(b) an encrypted and a non-encrypted file containing the Portfolio Information as set out in Schedule 1 of the Receivables Purchase Agreement.

For the avoidance of doubt, the parties to the Receivables Purchase Agreement intend to have only one offer covered by the Receivables Purchase Agreement.

"**Offer List**" means Schedule 1 of the Receivables Purchase Agreement.

"**Operating Account**" means the operating account of the Issuer in relation to Compartment Silver Arrow UK 2020-2, opened on or before the Signing Date with the Account Bank or any successor account.

"**Optional Final Payment**" means the final amount (being an amount which is payable at the option of the relevant Obligor) payable under a PCP Contract being equal to the GFV for the Vehicle the subject of that PCP Contract.

"**Outstanding**" means, for any Class, all the Notes of that Class issued other than:

(a) those which have been redeemed 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.

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

"**Outstanding Receivables Amount**" means with respect to a Financing Contract to which any Purchased Receivable relates at any Determination Date, the amount of principal owed by the Obligor under such Financing Contract (including, for the avoidance of doubt, the Optional Final Payment for any Vehicle relating to a PCP Contract and, where the Financing Contract is subject to Early Settlement or Voluntary Termination, the amounts outstanding under such Financing Contract) less the aggregate principal repayments or reductions in respect of that Financing Contract as at such Determination Date including, without double counting, by way of (i) payments of principal by or on behalf of the relevant Obligor, (ii) application of the proceeds from the sale of the relevant Vehicle and /or (iii) a write-off of principal in respect of the relevant Financing Contract (including, but not limited to, any PCP Optional Final Payment Loss in respect of that Financing Contract which is a Redelivery PCP Contract and any write-off relating to a Financing Contract which is subject to Voluntary Termination or Early Settlement where either (A) the

Vehicle has been sold by the Seller or (B) has remained unsold for at least three (3) months after the Vehicle was returned to the Seller).

"**Paying Agent**" means Elavon Financial Services DAC, any successor thereof or any other Person appointed as replacement interest determination agent from time to time in accordance with the Agency Agreement.

"**Payment Date**" means (in respect of the first Payment Date) 20 January 2021, and thereafter the 20th day of each calendar month, subject to the Business Day Convention. Unless the Notes are redeemed earlier, the last Payment Date will be the Legal Maturity Date.

"**PCP Contract**" or "**PCP**" means each personal contract plan agreement entered into between an Obligor and MBFS in the form of standard business terms or otherwise pursuant to which MBFS has provided financing to an Obligor and under which (a) an Optional Final Payment is payable and (b) that Optional Final Payment is substantially greater than the previous payment due under such contract.

"**PCP Contract Vehicle Sale Actual Proceeds**" means, in respect of a Redelivery PCP Contract to which any Purchased Receivable relates, the proceeds realised by the Seller from the sale of the relevant Redelivered Vehicle net of any costs incurred by the Seller in connection with such sale.

"**PCP Contract Vehicle Sale Expected Proceeds**" means, in respect of a Redelivery PCP Contract to which any Purchased Receivable relates, the amount of the Optional Final Payment that would have been payable by the relevant Obligor(s) had such PCP Contract not become a Redelivery PCP Contract.

"**PCP Optional Final Payment Loss**" means, in respect of a Redelivery PCP Contract to which any Purchased Receivable relates, an amount equal to the amount by which the PCP Contract Vehicle Sale Actual Proceeds in respect of such Redelivery PCP Contract are less than the PCP Contract Vehicle Sale Expected Proceeds in respect of such Redelivery PCP Contract.

"**PCP Receivables**" means the Purchased Receivables owing by the Obligors under the PCP Contracts.

"**PCP Recoveries**" means, with respect to any calendar month, an amount equal to the aggregate of all amounts (other than scheduled payments) received during such month in respect of PCP Contracts with respect to which the related Vehicle was finally sold (whether to the user thereof or any other party), including PCP Contract Vehicle Sale Actual Proceeds, the amounts received during such month in respect of (i) excess mileage, (ii) additional vehicle usage charges, (iii) incomplete service history, (iv) missing vehicle registration documents, (v) damage fees and/or (vi) auction house commissions pursuant to such PCP Contracts but excluding any VAT rebate thereon.

"**PCP/VT Deficit Amount**" means:

(a) in relation to a Redelivery PCP Receivable, an amount equal to that Redelivery PCP Receivable *less* the net Vehicle Sale Proceeds paid to the Issuer pursuant to sub-clause 6.2 (*Vehicle Sale Proceeds*) of the Receivables Purchase Agreement and any End of Contract Fees recovered from Obligors; and

(b) in relation to a Voluntarily Terminated Receivable, an amount equal to that Voluntarily Terminated Receivable *less* the net Vehicle Sale Proceeds paid to the Issuer pursuant to sub-clause 6.2 (*Vehicle Sale Proceeds*) of the Receivables Purchase Agreement.

"**PCP/VT Payment Date**" means the Payment Date immediately following the date falling six (6) months after the date on which the Servicer has determined in accordance with the Credit and Collection Policy that any Purchased Receivable has become a Redelivery PCP Receivable or, as the case may be, a Voluntarily Terminated Receivable.

"**Performing Outstanding Receivables Amount**" means, as at each Determination Date, the Aggregate Outstanding Receivables Amount less the Month-end Aggregate Defaulted Receivables in respect of the Collection Period immediately preceding the Determination Date.

"**Periodic Payment**" means in respect of any Financing Contract, each of the scheduled periodic instalment payments payable by the relevant Obligor(s) pursuant to that Financing Contract.

"**Permitted Exceptions**" means any of the following payments to be paid outside of the Priority of Payments by the Issuer:

(a) any payment or delivery to be made by the Issuer under the Credit Support Annex including any Excess Swap Collateral which will be due and payable only to the extent of amounts in the Swap Collateral Account and which shall be repaid to the Swap Counterparty outside of the Priority of Payments;

(b) any upfront payment to any replacement Swap Counterparty under the Swap Agreement (which will be paid directly to such replacement Swap Counterparty);

(c) any taxes which are due and payable by the Issuer;

(d) any Swap Tax Credits which will be returned directly to the Swap Counterparty; and

(e) any Replacement Swap Premium (only to the extent it is applied to pay a Swap Termination Payment due and payable by the Issuer to the outgoing Swap Counterparty).

"**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 together with their Ancillary Rights.

"**Portfolio Information**" means a file of information sent by the Seller and/or the Servicer to the Issuer, including the names and addresses of the Obligors (in an encrypted form) as set out in the Servicing Agreement.

"**Post-enforcement Priority of Payments**" means, after the service of an Enforcement Notice by the Note Trustee, the Security Trustee will apply the Available Distribution Amount on each Payment Date in accordance with the priority of payments set out in Condition 9.

"**Potential Event of Default**" means an event or circumstance that will with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement become an Issuer Event of Default.

"**Pre-enforcement Priority of Payments**" means, prior to the service of an Enforcement Notice, the Issuer will distribute the Available Distribution Amount on each Payment Date in accordance with the priority of payments set out in Condition 7.4.

"**Priority of Payments**" means either the Pre-enforcement Priority of Payments or the Post-enforcement Priority of Payments (as applicable).

"**Prospectus**" means this Prospectus dated 20 November 2020 prepared in connection with the issue by the Issuer of the Notes.

"**Prospectus Regulation**" means (a) Regulation (EU) 2017/1129 and (b) all applicable laws, regulations, rules, guidance or implementing measures in the UK, and including from the date when the UK withdrawal comes into effect, the applicable successor laws, regulations, rules and other relevant measures.

"**Purchase Date**" means 20 November 2020.

"**Purchase Price**" means the Initial Purchase Price plus the Deferred Consideration.

"**Purchased Receivable**" means any Receivable (together with its Ancillary Rights) purchased by the Issuer from the Seller on the Purchase Date under the Receivables Purchase Agreement which has not been repurchased by the Seller and "Purchased Receivables" means all such Receivables.

"**Purchased Receivable Records**" means the original and/or any copies of the Financing Contracts and all documents, books, records and information, in whatever form or medium, relating to the Financing Contracts, including all computer tapes and discs specifying, among other things, Obligor details, the amount and dates on which payments are due and are paid under the Financing Contracts, which are from time to time maintained by the Servicer or the Seller with respect to the Purchased Receivables and/or the related Obligors.

"**Rating Agencies**" means DBRS and Fitch.

"**Rating Agency Confirmation**" means, a confirmation in writing by the relevant Rating Agencies that the then current ratings of the most senior class of Notes will not be downgraded, qualified or withdrawn as a result of the relevant event or matter **provided that** if: (a) a confirmation or affirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction SA UK 2020-2 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 Counterparty (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.

"**Receivable**" means any and all claims and rights of the Seller, present and future, absolute or contingent, to payment from the Obligor under a Financing Contract.

"**Receivables Purchase Agreement**" means the receivables purchase agreement between, *inter alia*, the Seller, the Issuer, and the Security Trustee on or about the Signing Date, under which the Seller sells and assigns the Purchased Receivables to the Issuer, against payment of the Initial Purchase Price on the Purchase Date and the Deferred Consideration which is payable on each Payment Date in accordance with the applicable Priority of Payments.

"**Receiver**" or "**receiver**" means any receiver (including a receiver under the LPA), 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 and Assignment in respect of the security and includes more than one such receiver and any substituted receiver.

"**Recovery Collections**" means all amounts received by the Seller or the Servicer during the relevant Collection 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 out of pocket expenses paid to third parties and incurred by the Seller or the Servicer in connection with the collection and enforcement of the Defaulted Receivable in line with the Credit and Collection Policy and excluding any VAT rebate thereon.

"**Redelivery PCP Contract**" means a PCP Contract under which the Obligor opts to make full and final settlement of a PCP Contract by redelivery to the Seller of the Vehicle in lieu of making a final payment and acquiring legal title to the Vehicle in accordance with the related PCP Contract.

"**Redelivery PCP Receivable**" means any Purchased Receivable arising under a Redelivery PCP Contract in respect of which the Vehicle at the time that the PCP Contract becomes a Redelivery PCP Contract (i) has not been previously repossessed by the Seller or (ii) is not excessively damaged, recorded as stolen or with an outstanding insurance interest recorded against such Vehicle;

"**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 Elavon Financial Services DAC.

"**Regulated Financing Contracts**" means the Financing Contracts which are regulated by the CCA.

"**Regulatory Technical Standards**" means (i) the regulatory technical standards adopted by EBA or ESMA, as the case may be, pursuant to the Securitisation Regulation and entered into force in the European Union and (ii) the transitional regulatory technical standards applicable pursuant to Article 43 of the Securitisation Regulation prior to the entry into force of the regulatory technical standards referred to in paragraph (i) above.

"**Relevant Date**" means the date falling 10 years after the Legal Maturity Date.

"**Relevant Information**" means any information relating to this Transaction UK 2020-2 that is likely to have materially adverse impact on the value of the Class A Notes.

"**Relevant Recipients**" the Issuer, the Noteholders, (upon request) any potential investors in the Notes and the relevant competent authorities (as determined under the Securitisation Regulation).

"**Replacement Swap Premium**" means an amount received by the Issuer from a replacement Swap Counterparty upon entry by the Issuer into an agreement with such replacement Swap Counterparty to replace the outgoing Swap Counterparty, which will be applied by the Issuer in accordance with the Calculation Agency Agreement and the Deed of Charge.

"**Reporting Date**" means the 4th Business Day preceding the relevant Payment Date.

"**Reporting Entity**" means the Originator.

"**Repurchase Date**" means any date (which shall always be a Payment Date) on which a Purchased Receivable is repurchased by the Seller.

"**Repurchase Price**" means the repurchase price paid by the Seller to the Issuer in respect of the Purchased Receivables to be repurchased on a Repurchase Date, which is equal to the sum of the Outstanding Receivables Amounts of the relevant Purchased Receivables on the Determination Date prior to the Repurchase Date (including for the avoidance of doubt any amount in arrears).

"**Required Principal Redemption Amount**" means prior to the issuance of an Enforcement Notice in respect of any Payment Date, the amount calculated as the difference between:

(a) the Aggregate Outstanding Note Principal Amount of all Class A Notes and all Class B Notes on the Payment Date immediately preceding such Payment Date; and

(b) the Performing Outstanding Receivables Amount of the Purchased Receivables on the Determination Date immediately preceding such Payment Date.

"**Required Rating**" means with respect to either (A) the Account Bank or any guarantor of the Account Bank or (B) the Custodian or any guarantor of the Custodian, respectively, (i) a long-term unsecured, unguaranteed and unsubordinated debt obligations rating of "A" or a DBRS Critical

Obligations Rating of "A(high)" (or, if its long-term debt rating is not publicly rated by DBRS, but is rated by at least any one of Fitch, Moody's and S&P, the DBRS Equivalent Rating with respect to its long-term debt obligations) from DBRS; and (ii) a short-term rating of at least "F1" and a long-term rating of at least "A" from Fitch or, if such entity is only subject to a short-term rating from Fitch or a long-term rating from Fitch, a short-term rating of at least "F1" or long-term rating of at least "A" from Fitch.

"**Retained Interest**" means a material net economic interest of not less than 5% in the Transaction in accordance with Article 6(3)(d) of the Securitisation Regulation (which does not take into account any corresponding national measures), comprised of the holding of the Class B Notes and the Subordinated Loan.

"**Retained Profit**" means, subject to and in accordance with the relevant Priority of Payments, a profit for the Issuer of £100 to be retained on each Payment Date.

"**Retained Profit Ledger**" means a retained profit ledger of the Distribution Account of the Issuer in relation to Compartment Silver Arrow UK 2020-2, opened on or before the Signing Date with the Account Bank.

"**Scottish Declaration of Trust**" means each declaration of trust in relation to Scottish Receivables constituted pursuant to the Offer List delivered pursuant to the Receivables Purchase Agreement by means of which the sale of such Scottish Receivables by the Seller to the Issuer and the transfer of the beneficial interest therein to the Issuer are given effect.

"**Scottish Receivables**" means those Receivables contained in the Portfolio governed by or otherwise subject to Scots law.

"**Scottish Supplemental Charge**" means each assignation in security granted by the Issuer in favour of the Security Trustee in respect of the Issuer's interest in a Scottish Declaration of Trust and/or the Vehicle Sales Proceeds Floating Charge entered into pursuant to the Deed of Charge and in substantially the form set out in Schedule 3 (*Form of Scottish Supplemental Charge*) thereto.

"**Scottish Trust**" means the trust declared by the Seller pursuant to the Scottish Declaration of Trust.

"**Scottish Trust Property**" has the meaning given to it in the Scottish Declaration of Trust.

"**Scottish Vehicle Sale Proceeds**" means Vehicle Sale Proceeds in respect of Purchased Receivables in so far as they relate to Scottish Vehicles.

"**Scottish Vehicles**" means any Financed Vehicle to which a Purchased Receivable relates which is situated in Scotland or otherwise subject to Scots law.

"**Secured Obligations**" means all duties and liabilities (present and future, actual and contingent) of the Issuer (in respect of Compartment Silver Arrow UK 2020-2) to a Secured Party under any Transaction SA UK 2020-2 Document.

"**Secured Parties**" means the Noteholders, Corporate Services Provider, the Calculation Agent, the Account Bank, the Swap Counterparty, the Paying Agent, the Custodian, the Interest Determination Agent, the Lead Manager, the Subordinated Lender, the Data Trustee, the Note Trustee, the Security Trustee, the Seller and the Servicer.

"**Securities Act**" means the U.S. Securities Act of 1933 as amended from time to time.

"**Securitisation Regulation**" means (a) Regulation (EU) 2017/2402 and the relevant technical standards and (b) all applicable laws, regulations, rules, guidance or implementing measures in the UK, and including from the date when the UK withdrawal comes into effect, the applicable successor laws, regulations, rules and other relevant measures.

"**Security**" means all Adverse Claims from time to time created by the Issuer in favour of the Security Trustee (and also for the benefit of the Secured Parties) pursuant to the Deed of Charge.

"**Security Trustee**" means Wilmington Trust SP Services (Frankfurt) GmbH, including its successors and assigns.

"**Seller**" means MBFS.

"**Seller Collection Account**" means an account in the name of the Seller into which all Obligors are directed to make payment in respect of the Purchased Receivables.

"Seller Receivables Warranties" means the warranties given by the Seller in respect of the Purchased Receivables as set out in the Receivables Purchase Agreement.

"**Seller Solvency Certificate**" means the seller solvency certificate to be delivered by the Seller to the Issuer and to the Security Trustee substantially in the form (*mutatis mutandis*) set out in Schedule 3 (*Form of MBFS Solvency Certificate*) to the Receivables Purchase Agreement.

"**Servicer**" means MBFS or at any time the Person then authorised pursuant to the Servicing Agreement to service, administer and collect the Purchased Receivables.

"**Servicer Termination Event**" means the occurrence of any of the following events:

(a) the Seller or the Servicer is Insolvent;

(b) the Seller or the Servicer fails to make any payment or deposit required by the terms of the relevant Transaction SA UK 2020-2 Document within five (5) Business Days of the date such payment or deposit is required to be made;

(c) the Seller or the Servicer fails to perform any of its material obligations under the Receivables Purchase Agreement and/or the Servicing Agreement (other than a payment or deposit required), and such breach, if capable of remedy, is not remedied within twenty (20) Business Days of written notice from the Issuer or the Security Trustee; or

(d) any representation or warranty in the Receivables Purchase Agreement or in the Servicing Agreement or in any report provided by the Seller or the Servicer is materially false or incorrect, and such inaccuracy, if capable of remedy, is not remedied within twenty (20) Business Days of written notice from the Issuer or the Security Trustee and has a Material Adverse Effect in relation to the Issuer.

"**Servicing Agreement**" means the servicing agreement entered into between the Issuer, the Servicer, the Calculation Agent and the Security Trustee on or about the Signing Date.

"**Servicing Fee**" means the fees to be paid by the Issuer to the Servicer in accordance with the Servicing Agreement.

"**Severe Deterioration Event**" means all or any part of the property, business, undertakings, assets or revenues of the Seller having an aggregate value in excess of £60,000,000 having been attached as a result of any distress, execution or diligence being levied or any encumbrancer taking possession or similar attachment and such attachment having not been lifted within 30 days, unless such event will not materially prejudice the ability of the Seller to observe or perform its obligations under the Transaction SA UK 2020-2 Documents or the enforceability or collectability of the Purchased Receivables.

"**SFTR**" means the European Regulation 2015/2365 of 25 November 2015, known as the Securities Financing Transactions Regulation.

"**Signing Date**" means 18 November 2020.

"**Solvency II Regulation**" means Commission Delegated Regulation (EU) 2015/35, as amended and/or supplemented from time to time.

"**Special Quorum Resolution**" has the meaning given to it in paragraph 2.8 of Schedule 3 (Provisions for meetings of Noteholders) of the Trust Deed.

"**SR Repository**" means, following registration of any securitisation repository under Article 10 of the Securitisation Regulation, any such securitisation repository that the Issuer appoints in relation to the Notes.

"**SR Website**" means the website of EuroABS at www.euroabs.com, being a website which conforms with the requirements set out in Article 7(2) of the Securitisation Regulation.

"**STS Notification**" means the notification made by the Originator to ESMA in accordance with Article 27 of the Securitisation Regulation explaining how the Transaction meets the STS Requirements.

"**STS Requirements**" means the requirements for simple, transparent and standardised non-ABCP securitisations provided for by Articles 19 to 22 of the Securitisation Regulation.

"**STS-securitisation**" means a securitisation meeting the requirements of Articles 19 to 22 of the Securitisation Regulation.

"**Subordinated Lender**" means MBFS.

"**Subordinated Loan**" means the loan granted on or before the Issue Date by the Subordinated Lender to the Issuer in an amount of GBP 5,408,000.00. The proceeds of the Subordinated Loan will be used in order to fund the initial deposit to the General Reserve Account.

"**Subordinated Loan Agreement**" means the subordinated loan agreement entered into by the Issuer, the Subordinated Lender and the Security Trustee on or about the Signing Date, under which the Subordinated Lender will advance at the latest on the Issue Date the Subordinated Loan to the Issuer.

"**Subordinated Loan Redemption Amount**" means on any Payment Date, prior to an Enforcement Notice, the difference between:

(a) the General Reserve Required Amount on the previous Payment Date; and

(b) the General Reserve Required Amount on the current Payment Date.

"**Successor Bank**" has the meaning given to it in sub-clause 7.3 of the Bank Account Agreement.

"**Supplemental Collection Account Declaration of Trust**" means the supplemental declaration of trust to be dated on or about the Issue Date made by MBFS in favour of the Issuer supplementing the declaration of trust made by MBFS on 5 October 2017, as supplemented from time to time, over the aggregate amount standing to the credit of the Seller Collection Account.

"**Swap Agreement**" means the swap agreement, dated and executed on or about the Signing Date between the Issuer and the Swap Counterparty pursuant to the ISDA Master Agreement, a rating compliant schedule, a related Credit Support Annex and a confirmation.

"**Swap Collateral Account**" means the swap collateral account of the Issuer opened on or before the Signing Date with the Account Bank in respect of Compartment Silver Arrow UK 2020-2 or any successor account.

"**Swap Counterparty**" means DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main.

"**Swap Fixed Rate**" means 0.0084% per annum.

"**Swap Notional Amount**" means on any Payment Date, the Aggregate Outstanding Note Principal Amount of the Class A Notes as of the previous Payment Date or, in the case of the first Payment Date, the Aggregate Outstanding Note Principal Amount of the Class A Notes as of the Issue Date.

"**Swap Tax Credits**" means any credit, allowance, set-off or repayment, which is received by the Issuer in respect of tax from the tax authorities of any jurisdiction relating to any deduction or withholding giving rise to an increased payment by a Swap Counterparty to the Issuer, the amounts of which will be applied by the Issuer in accordance with the Calculation Agency Agreement.

"**Swap Termination Payment**" means any amounts due by the Issuer to the Swap Counterparty or the Swap Counterparty to the Issuer under the Swap Agreement following a close out netting under Section 6(f) of the ISDA Master Agreement.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature imposed in any jurisdiction (including any penalty or interest payable in connection with any failure to pay or any delay in paying the same);

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Transaction SA UK 2020-2 Document, other than a FATCA Deduction;

"**Transaction Party**" means a party to a Transaction SA UK 2020-2 Document.

"**Transaction SA UK 2020-2 Documents**" means the English Transaction SA UK 2020-2 Documents, the Scottish Supplemental Charge, Scottish Declaration of Trust, the Vehicle Sale Proceeds Floating Charge, the Issuer ICSDs Agreement and the Corporate Services Agreement.

"**Transaction UK 2020-2**" means the UK securitisation transaction of the Company in connection to which the Notes are issued and to which the Transaction SA UK 2020-2 Documents refer.

"**Trust Deed**" means the trust deed dated on the Issue Date between the Issuer and Wilmington Trust SP Services (Frankfurt) GmbH (in this capacity, the "**Note Trustee**", which expression includes its permitted successors and assigns).

"**UCPD**" means the Unfair Commercial Practices Directive 2005/29/EC.

"**UK**" or "**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.

"**United States**" means, for the purpose of the Transaction UK 2020-2, the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

"**U.S. Person**" means a U.S. person within the meaning of Regulation S and the U.S. Risk Retention Rules (as applicable).

"**U.S. Risk Retention Rules**" means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended, adopted pursuant to the requirements of Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

"**UTCC Regulations**" means the Unfair Terms in Consumer Contracts Regulations 1999.

"**VAT**" means value added tax and any other tax of a similar fiscal nature (instead of or in addition to value added tax) whether imposed in the United Kingdom or Luxembourg or elsewhere.

"**Vehicle**" means, with respect to any Receivable, any vehicle the subject of the Financing Contract to which to such Receivable relates.

"**Vehicle Sale Proceeds**" means the amounts received by the Seller representing:

(a) any PCP Recoveries; and

(b) the gross proceeds of sale in respect of any returned or repossessed Vehicles following default by the Obligor under the Financing Contract or the exercise by the Obligor of a Voluntary Termination or Early Settlement, and

in each case including any amounts received from an Affiliate of the Seller, but excluding amounts in respect of VAT for which the Seller is required to account to the relevant tax authority in respect of the sale of any Vehicle.

"**Vehicle Sale Proceeds Floating Charge**" means the Scots law governed floating charge granted by the Seller in favour of the Issuer in respect of the Scottish Vehicle Sale Proceeds relating to

Vehicles located in Scotland pursuant to paragraph (c) of sub-clause 4.2 (*Vehicle Sale Proceeds Floating Charge*) of the Receivables Purchase Agreement.

"**Volcker Rule**" means Section 619 of the Dodd-Frank Act and any relevant implementing provisions thereof.

"**Voluntarily Terminated Receivable**" means a Purchased Receivable in relation to which a Voluntary Termination has been exercised.

"**Voluntary Termination**" means the voluntary termination of a Regulated Financing Contract by an Obligor pursuant to sections 99 and 100 of the CCA.

"**Written Resolution**" has the meaning given to it in Schedule 3 (Provisions for meetings of Noteholders) of the Trust Deed.

2. PRINCIPLES OF INTERPRETATION AND CONSTRUCTION

2.1 Knowledge

2.1.1. References in any Transaction SA UK 2020-2 Document to the expressions "so far as the Servicer is aware" or "to the best of the knowledge, information and belief of the Servicer" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of senior officers of the Servicer.

2.1.2 References in any Transaction SA UK 2020-2 Document to the expressions "so far as the Issuer is aware" or "to the best of the knowledge, information and belief of the Issuer" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of directors of the Issuer.

2.2 Interpretation

In any Transaction SA UK 2020-2 Document, the following shall apply:

2.2.1 a document being in an "*agreed form*" means that the form of the document in question has been signed off or agreed by each of the proposed parties thereto;

2.2.2 any reference to an "agreement", "*deed*" or "*document*" shall be construed as a reference to such agreement, deed or document as the same may from time to time be amended, varied, novated, supplemented, replaced or otherwise modified;

2.2.3 in the computation of periods of time from a specified date to a later specified date, the word "*from*" means "from and including" and the words "to" and "until" each mean "*to but excluding*";

2.2.4 "*periods*" of days shall be counted in calendar days unless Business Days are expressly prescribed;

2.2.5 any reference to any "*Person*" appearing in any of the Transaction SA UK 2020-2 Documents shall include its successors and permitted assigns;

2.2.6 unless specified otherwise, "promptly", "immediately", "forthwith" or any similar expression used in a Transaction SA UK 2020-2 Document shall mean without undue delay;

2.2.7 a "*successor*" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction SA UK 2020-2 Document or to which, under such laws, such rights and obligations have been transferred;

2.2.8 any term that is particular to the laws of Northern Ireland shall be construed in accordance with the laws of Northern Ireland;

2.2.9 any term that is particular to the law of Scotland shall be construed in accordance with Scots law; and

2.2.10 in respect of the Company, the Issuer or any other entity incorporated in Luxembourg:

(a) a "receiver", "administrative receiver", "administrator" or the like includes, without limitation, a *juge délégué*, *commissaire*, *juge-commissaire*, *liquidateur* or *curateur*;

(b) "winding-up", "administration", "insolvency" or dissolution includes, without limitation, bankruptcy (*faillite*), composition with creditors (*concordat préventif de faillite*), moratorium or reprieve from payment (*sursis de paiement*) and controlled management (*gestion controlee*), court ordered liquidation (*liquidation judiciaire*) or reorganisation, voluntary dissolution or liquidation (*dissolution ou liquidation volontaire*);

(c) a person being "insolvent" includes that person being in a state of cessation of payments (*cessation de paiements*) and having lost its creditworthiness (*ébranlement de credit*);

(d) a person being "unable to pay its debts" or "inability to pay its debts" includes that person being in a state of cessation of payments (*cessation de paiements*); and

(e) "constitutional documents" includes its up-to-date (restated) articles of association (*statuts coordonnées*).

2.3 **Statutes and Treaties**

Any reference to law shall be construed as a reference to such law as the same may have been, or may from time to time be, amended or re-enacted.

2.4 **Time**

Any reference in any Transaction SA UK 2020-2 Document to a time of day shall, unless a contrary indication appears, be a reference to London time.

2.5 **Schedules**

Any Schedule of, or Appendix or Annex to a Transaction SA UK 2020-2 Document forms part of such Transaction SA UK 2020-2 Document and shall have the same force and effect as if the provisions of such Schedule, Appendix or Annex were set out in the body of such Transaction SA UK 2020-2 Document. Any reference to a Transaction SA UK 2020-2 Document shall include any such Schedule, Appendix or Annex.

2.6 **Headings**

Section, Part, Schedule, Paragraph and clause headings are for ease of reference only. They do not form part of any Transaction SA UK 2020-2 Document and shall not affect its construction or interpretation.

2.7 **Sections**

Except as otherwise specified in a Transaction SA UK 2020-2 Document, any reference in a Transaction SA UK 2020-2 Document to:

2.7.1 a "*Section*" shall be construed as a reference to a Section of such Transaction SA UK 2020-2 Document;

2.7.2 a "*Part*" shall be construed as a reference to a Part of such Transaction SA UK 2020-2 Document;

2.7.3 a "*Schedule*", an "*Appendix*" or an "*Annex*" shall be construed as a reference to a Schedule, Appendix or Annex of such Transaction SA UK 2020-2 Document;

2.7.4 a "*clause*" shall be construed as a reference to a clause of a Part or Section (as applicable) of such Transaction SA UK 2020-2 Document; and

2.7.5 "*this Agreement*" or "*this Deed*" shall be construed as a reference to such Transaction SA UK 2020-2 Document together with any Schedules, Appendices or Annexes thereto.

2.8 **Number**

In any Transaction SA UK 2020-2 Document, save where the context otherwise requires, words importing the singular number include the plural and *vice versa*.

INDEX OF DEFINED TERMS

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THE ARRANGER AND LEAD MANAGER

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